

Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation





E.C.F.
F B254hi

AN

HISTORICAL ACCOUNT

OF

MASSACHUSETTS CURRENCY.

BY JOSEPH B. FELT.

Crescentem sequitur cura pecuniam
Majorumque fames ———.

HORACE.

Medio tutissimus ibis ———.

OVID.

501234
8.12.49

BOSTON:
PRINTED BY PERKINS & MARVIN.
1839.

Entered according to Act of Congress, in the year 1839,

By JOSEPH B. FELT,

In the Clerk's Office of the District Court of the District of Massachusetts.

HON. THOMAS L. WINTHROP, LL. D.

SIR,

The ensuing production is an enlargement of two Lectures delivered at the request of the Massachusetts Historical Society, over which you continue so very acceptably to preside. Hoping that it may furnish some data to aid in the correction of doubtful speculations, and in the establishment of safe principles—as to the pecuniary relations of the community—the writer has ventured to lay it before the public eye. Nor has this step been taken unadvisedly. Gentlemen acquainted with the contents of the manuscript, have desired that it might be published. While influenced by their wish, the author well knows, that it has long been your taste and pleasure to encourage such works, and to advance the interests of literature and science. For this—as well as for the repeated marks of your kindness to him—he is happy to dedicate the succeeding pages to you, as a slight memento of his respect and esteem for yourself.

JOSEPH B. FELT.

BOSTON, *July*, 1839.

EMENDATA.

<i>Page.</i>		<i>Line.</i>
61.	Omit " <i>thus</i> ,"	30
70.	Supply " <i>are</i> ," next to " <i>profits</i> ,"	23
95.	Read " <i>Assembly</i> ," for " <i>they</i> ,"	31
109.	Read " <i>John</i> ," for " <i>Jonathan</i> ,"	25
153.	Read " <i>given</i> ," for " <i>give</i> ,"	32
156.	Read " <i>It is</i> ," for " <i>This</i> ,"	13
156.	Supply " <i>June</i> ," before " <i>5</i> ," in the margin,	21
184.	Read " <i>less</i> ," for " <i>wider and greater</i> ,"	28
187.	Read " <i>least</i> ," for " <i>last</i> ,"	27
224.	Read " <i>price</i> ," for " <i>prices</i> ,"	14

HISTORICAL ACCOUNT
OF
MASSACHUSETTS CURRENCY.

INTRODUCTION.

THE subjects of history are various as the deeds and relations of man. Their interest proceeds from causes, artificial as well as real. Some of them hold a pre-eminence in adaptedness to call up the deep thoughts of genius and give wing to the lofty aspirations of poetry and eloquence. Others of them sustain an humbler rank. Though needful to be adduced, that there be no lack of symmetry in the representation of a Commonwealth, yet they allow no extensive scope to the efforts of intellect and to the ornaments of imagination. To the latter class, belongs the topic of the succeeding pages. However relating to objects which exert almost a magical influence over the desires, toils and attachments of society, still, in itself considered, it is far from possessing the fabled power of Midas, who made gold of every thing he touched.

The term *currency*, has been variously defined. Hume thus explains it,—“The instrument which men have agreed upon to facilitate the exchange of one commodity for another.” This appears to be defective. It is more applicable to modern practice than to former. Commodities were themselves anciently sold one for another, and so served all the purpose of the more precious metals. Coin is to money as species to a genus. The latter is any substance to which public authority has assigned a fixed

value, while the former may be only a part of this assignment.

Currency, in application to the different periods of our State, denotes whatever has been adopted, as a medium of exchange, by general consent and practice. Such a construction may seem rather too broad, when we come to ascertain what it includes. It may appear to our associations of mind, familiar with a system of trade, considerably unlike that of our ancestors, as *outré* or incongruous. Still, it is not without the justification of facts. The Rev. John Cotton, while pleading the cause of one of his flock, who was charged with acting more like the wolf than the lamb, remarked—"That is called current money which every man will take." It is well known, that substances, adapted as a medium of circulation or standard value, have been essentially different in various ages and nations. In Italy, the ancient mode of estimating articles of property, was by cattle. Hence, the word, '*pecunia*,' in their language, was from *pecus*, flock or herd; though it has long been translated, money. Hence, also, as Pliny assures us, the first coin of the Latins was stamped with a cow. The Greeks had similar ideas of money. We read in Homer, that the brazen armour of Diomedes was estimated at nine oxen, and the golden armour of Glaucus, at one hundred. Numa Pompilius had currency manufactured of wood and leather. The last of these was used for a similar purpose by Frederic II., at the siege of Milan; by John of France, while paying for his ransom to Edward III., and by James among his subjects in Ireland. It should be remarked, that such medium of John had each of its pieces set off with a small silver nail. The Lacedemonians trafficked by means of iron bars, quenched in vinegar. So did the primitive Britons employ similar formations of this metal, with the addition of tin plates for the same object. Fruit and cocoa, among the Mexicans, are paid for other things of value; and maize, before their country was discovered by Europeans, served the like end. Almonds and shells in India, purchase the necessaries of life. The last of these two currencies are

common in some nations of Africa; while salt-bricks and beads, are of similar use in another of its kingdoms, which is Abyssinia. Besides these items, Smith, in his *Wealth of Nations*, says, that iron nails in a village of Scotland, dried cod in Newfoundland, sugar in several of the West India islands, and hides in other countries were substituted for coin. If looking nearer home, we have the fact, that in the first days of the 'Old Dominion,' tobacco would purchase the *most valuable commodity*. From 100 to 150 lbs. of it, bought many a good wife. At a later period, before our Western States were favored with steam navigation, horses, cattle, and hogs, were regularly exchanged for goods.

These examples show, that money or currency, is a convertible term, not absolutely confined to any one material; that, among distinct nations and in several periods, it may refer to substances as diverse, as those of the animal, vegetable and mineral kingdoms. Hence, we may not exclude from the list of currencies some of the articles adopted as such, by our fathers before the close of the 17th century, merely because they do not tally with those to which we have been accustomed. This introduction now brings us to enter on the course immediately in view. As we advance, it is proposed to remark on currency, not merely in its several species, but also in some of its relations.

Long before any permanent settlements were made on the shores of Maine, there was an extensive commerce carried on with the Indians of that territory by the fleets, which annually came from Europe for fish and peltry. In such intercourse, cash was scarcely known. The natives were ready to barter large amounts of skins for beads, knives, hatchets and blankets, and especially for tobacco, powder, shot, guns and strong water. Philanthropists, who desired the highest welfare of the red man, and

sought to bring him under the salutary restraints of the gospel, according to the professed purpose of every charter for American colonies, perceived that the most of such merchandize tended to demoralize and render him a dangerous neighbor. They petitioned and obtained restrictions. Their benevolent action, as usual in attempts to suppress gainful but deleterious customs, caused much excitement among the numerous traders, who set more by their own interest than they cared for others' ruin.

The article of peltry, so abundantly offered by the natives and so eagerly sought by foreigners, was received and passed as cash by the colonists.

Another commodity, adopted by them from the aborigines, for a similar end, was wampum. This was brought from Manhadoes, afterwards New York, on a voyage thither in 1628. It is thus described by Governor Bradford:—"That which in time turns most to our advantage is, their now acquainting and entering us into the trade of wampom. By which and provisions, we quite cut off the trade both from the fishermen and straggling planters. And strange it is, to see the great alteration it in a few years makes among the savages. For the Massachusetts and others, in these parts, had scarce any, it being only made and kept among the Pequots and Naragansetts, who grew rich and potent by it; whereas the rest, who use it not, are poor and beggerly." Here we have the position, long assumed by the great body of the civilized, that a circulating medium, aside from the fruits of the field and of the chase, tends to enrich and strengthen a people, confirmed by the experience of men in a state of nature.

Roger Williams, in his observations on such money of the New England Indians, gives the succeeding account:—"Their own is of two sorts, one white, which they make of the stem or stock of the periwinkle, when all the shell is broken off; and of this sort, six of their small beads, which they make with holes to string their bracelets, are current with the English for a penny. The second is black, inclining to blue, which is made of the shell of a fish, which some English call hens—poquahock; and of

this sort, three make an English penny. One fathom of this their stringed money is worth five shillings."

To witness the good credit of what they deemed their choice riches among the emigrants—superior to themselves only by means of education—must have gratified the natural proprietors of the soil, and afforded them, amid their degradation, a feeling of some independence.

In passing from this kind of currency, we come to another. Our fathers having at first neither mints nor banks, except those of the earth and ocean, drew from the former liberal discounts.

Of these, was corn. This was used as a generic term, to include several species of grain and even peas. Such and similar productions, together with live stock, lawfully received at the Colonial treasury for public taxes, was often designated by the phrase, "country pay."

Some specimens show how a medium of this kind was applied.

It was a custom in the old Colony,¹ when a surveyor^{1628.} ran the lines of a lot of land, to compensate him with a ^{Jan.} 3. peck of corn.

"It was propounded,² that Mr. Phillips³ should have^{1630.} allowed him three hogsheads of meale, one hogshead of ^{Aug.} 13. malte, four bushels of Indian corne, one bushell of oate meale, halfe an hundred of salte fishe;—for apparrell and other provisions xx^{lbs} or els to have xi^{lbs} given him in money per ann to make his owne prouisions, if hee chuse it the rather." "It is ordered that Mr Patricke and Mr ^{Sept.} 7. Vnderhill shall have allowed them for halfe a yeare's prouision two hogsheads of meale, four bushells of malte, ten pounds of powder and leade to make shote, also howse roome prouided for them and 15^{lbs} 12^s in money to make other prouision from the tyme they begine to keepe howse."

"It is ordered that those of Dorchester, who braught ^{28.} certaine cattell of the merchants of Dorchester, shall pay Nicholas Stower nine bushels of meale or of Indian corne,

¹ Plymouth Colony Records.

² Massachusetts Colony Records.

³ Rev. George Phillips of Watertown.

1630. or nine lbs of beauer for the keeping of the said cattell according to an agreement.”—“Sir Richard Saltonstall is fined four bushells of malte for his absence from Court.”

These passages give us an idea of the manner, in which our ancestors long passed several articles of trade—as we do cash.

Such a paying of grain, as just mentioned, was no unheard of practice in the kingdom, whence the Puritans emigrated. ¹ “By the 18th of Elizabeth, it was enacted, that one-third of the rent of all College leases, should be reserved in corn, to be paid either in kind or according to the current prices at the nearest public market. The money arising from this corn rent, though originally but a third of the whole, is, in the present times, according to Dr. Blackstone, commonly near double of what arises from the other two-thirds.”

As examples of the value of currency, the ensuing items are presented. ² “It is ordered that labourers shall not take about 12^d a day for their work and not about 6^d and meate and drink under paine of 10^s; noe master carpenter, mason, joyner or bricklayer shall take about 16^d a day for their worke, if they have meate and drink—and the second sort not about 12^d a day under payne of 10^s both to giuer and receauer.”

Oct. 19. “It is ordered that sawers shall not take about 12^d a scoore for saweing oake boards and 10^d a scoore for pyne boards, if they haue their wood felled and squarred for them.”

These enactments exhibit a great difference between the prices of labor then and in our day—and thus denote how much more the same amount would procure at that period than it now does.

Nov. 9. Our civil authorities, perceiving the legal restrictions on the rate of beaver had better be repealed, comply with such expediency. “Whereas the vsuall rate of beauer hath beene after 6^s the pound, it shall be hereafter lefte free for euery man to make the best proffitt and improue-

¹ Smith's Wealth of Nations, vol. 1.

² Massachusetts Colony Records.

ment of it that hee can." ¹The price of this article being 1630. thus left free, soon rose, as Governor Dudley informs us, to 10^s and 20^s a lb.

As proof that our ancestors were interested in the preservation of gold and silver money from unlawful diminution, as well as of due regard to the administration of justice in their native land—they apprehended one Robert Wright, who had escaped hither from London, being accused of "clipping the king's coyne." 1631. March 1.

This sort of money, so introduced to our notice, suggests the ensuing remarks.—²The method of keeping accounts by our Colonists, relative to specie³ as well as other currency, was by pounds, shillings, pence and farthings. It was first introduced in England by William the Conqueror. He ordered the pound of account to equal a pound of silver, and this to be divided either into twelve shillings of twenty pennies, or twenty shillings of twelve pennies, in accordance with the table of Troy weight. It was not till several reigns after his, that such a pound was denominated a pound sterling. So reduced had this standard become under Charles the First, who granted the Charter of Massachusetts, that a pound of silver was estimated, while he was on the throne, both here and in the mother country, at more than three times what it was in the days of William. Owing to the unsteady and injudicious system of the predecessors of Charles, for the regulation of the currency, as well as to large debts contracted under his father's administration, coin was very scarce when our ancestors emigrated to this country.

Hence, we have one reason, why they adopted such a medium of exchange, as has been already described.

This they applied to their judicial as well as commercial proceedings. ⁴"Chickataubott is fyned a skyn of beauer for shooteinge a swine of Sir Richard Saltonstall." June 14.

Perceiving some difficulty with regard to the reception

¹ Gov. Thomas Dudley's letter to the Countess of Lincoln.

² James Taylor's view of the money system of England.

³ The term *specie*, or *species*, was

applied to articles of provision, in Massachusetts, till 1775. It began to be used here in reference to hard money as soon as 1758.

⁴ Massachusetts Colony Records.

1631. of grain instead of specie, the succeeding enactment is made.—“It is ordered that corne shall passe for payment of all debts at the vsuall rate it is solde for, except money or beauer be expressly named.” This rule was far from being a dead letter. For over a half century, it continued in full force and operation.

Ascertaining that there was an inclination in traders to clear the Colony of all coin, bought on speculation for the London market, and also of peltry, on which they could lay their hands, the magistrates see fit to interpose and throw around them a legal check. “It is ordered that noe planter within the limits of this jurisdicon, returneing for England, shall carry either money or beauer with him, without leaue from the Governor, vnder paine of forfeitinge the money and beauer so intended to be transported.” As an example for such a step, with regard to metallic currency, they had an edict of Queen Elizabeth for a like purpose.

While thus vigilant, the civil authorities are careful to enlarge the circulating medium, by promoting the traffic in peltry. ¹“It is agreed that there ²shalbe a trucking howse appoynted in eury plantacon whither the Indians may resorte to trade, to auoide there comeing to seuerall howses.” The fur trade is also farmed or let out in several parts. Among those who contract for it, was John Pynchon, the promoter and leader of Springfield settlement. For the privilege in his vicinity, he gives £25 a year.

As expediency calls for a change in the regulation of grain, an alteration is made. “The price of corne, formerly restrained to 6^s the bushell, is now sett att liberty, to be sold as men can agree.” This, not being so satisfactory as anticipated, is reversed, more than six months after, to what it was before.

One of the instances wherein government agree for live stock, as an item of the common currency, now occurs. “Noddle’s Ileland is granted to Mr. Samuel Maueracke, to enioy to him and his heires for euer, yeilding and payeing yearely att the Generall Court to the Gouenor for the

¹ Mass. Col. Records.

² *Shall*, as an auxiliary, and *be*, as a principal verb, are often written

together, in ancient chirography, as in the above sentence.

time being, either a fatt weather, a fatt hogg, or xl^s in money, and shall giue leave to Boston and Charles Towne to fetch wood contynually as their neede requires, from the Southerne parte of the said Ieland.” Though the estimated value of these animals was low, compared with what it has been since, yet it far exceeded the price of their kind in the reign of William the Conqueror.¹ Then a pasture fed ox was computed at 1^s; a ram or sheep at 4^d, and other articles in proportion. However the animal items of Maverick’s agreement do not come to our ears with such a dignified sound—because use has made it so,—as the other of a pecuniary sort; still they were part and parcel of a bona fide contract.

While the circulating medium partook of so great a variety, we have another specimen how well it expended.

²“It is ordered, that maister carpenters, sawers, masons, clapboard ryuers, bricklayers, tylars, joyners, mowers, &c. shall not take aboue 2^s a day, findeing themselues dyett, and not aboue 14^d a day, if they haue diett found them, vnder the penalty of 5^s both to giuer and receaver, for euery day that there is more giuen and receaved. Also, that all others, inferior workmen of the said occupacons, shall haue such wages as the Constables of the said place and two other inhabitants, that hee shall chuse, shall appoynt. Also, it is agreed, that the best sorte of labourers shall not take aboue 18^d a day, if they dyett themselues, and not aboue 8^d a day, if they haue dyett found them, vnder the aforesaid penalty both to giuer and receaver. Likewise, that the wages of the inferior labourers shall be refered to the Constable and two others as aforesaid.”

“Mr taylours shall not take aboue 12^d a day, and the inferior sorte not aboue 8^d, if they be dyeted, vnder the aforesaid penalty, and for all other worke they doe att home proporconably, and soe for other worke that shalbe done by the greate by any other artificer. Further, it is ordered that all workmen shall worke the whole day, allowing convenient time for foode and rest. This order to take place the 12th of this present moneth.”

Oct.
3.

¹ Taylor on the Money System of England.

² Mass. Colony Records.

1633. So quick was the demand for corn, as a substitute for specie, as well as for food, ¹ no person is allowed to feed

Nov.

5. his swine with it, except such as is surveyed by two of his neighbors, and by them judged "unfit for man's meat."

Knowing that the prices for mechanical employments were likely to be disarranged by an inordinate charge for imported and other goods, and thereby the currency, as well as resources of the country to be depreciated in real value, the Court of Assistants pass the subsequent law.

8. "Whereas by order of Court holden in October last, the wages of workemen were reduced to a certainty in regard of the greate extorcon vsed by dyvers persons of little conscience, and the greate disorder which grewe hereupon by vaine and idle waste of much precious tyme, and expence of those imoderate gaynes in wyne, strong water and other superfluities: nowe, least the honest and conscionable workemen should be wronged or discouraged by excessive prizes of those commodyties which are necessary for their life and comfort,—wee have thought it very iust and equall, to sett order also therein; wee doe therefore hereby order, that after publique notice hereof noe persons shall sell to any of the inhabitants within this jurisdicon any provision, cloathing, tooles or other commodities above the rate of ² foure pence in a shilling more than the same cost or might be bought for ready money in England, on paine of forfeiting the valewe of the thinge solde, except cheese, which, in regard of the much hazard in bringing, and wyne and oyle, vinegar and strong waters, which in regard of leakeing may be solde att such rates (provided the same be moderate) as the buyer and seller can agree. And for lynnens and other commodyties, which, in regard of their close stowage and small hazard, may be afforded att a cheape rate, wee doe advise all men to be a rule to themselues in keepeing a good conscience, assureing them, that if any man shall excede the bounds of moderacon, we shall punish them seuerely." This enactment of authorities, who meant to be minded, shows the small progress made by our infant Commonwealth towards the

¹ Mass. Colony Records.

² This was repealed Sept. 2, 1635.

independence of other countries, which she has long enjoyed, and would more enjoy, if not indulging fanciful wants and hurtful extravagances. It would be legislation, passing strange to our ears in this period, to allow extra encouragement on the products of the dairy and of the orchard, because of the pains and perils of importing them. This is an exemplification of the oft suggested thought, that what the necessities of one age render important, the fullness of another renders trivial. 1633.

¹For a further illustration, as to the worth of money in judicial service, we have the ensuing order.—“It was concluded, that the Jury should have 6^d a man, and the foreman 12^d, in such cases of controversy as they shall go upon.” Pence would hardly spend so well in law now as a days. 1634. Jan.

With regard to the sumptuary regulation previously related, it appears that every individual did not heed its counsel, or sufficiently dread its uplifted rod. ²“It was witnessed vpon oath that James Rawlens tooke 8^d a day, and meate and drinke, for ten dayes worke for one of his servants for weeding corne, contrary to an order of Court, and therefore is to pay 5^s for eury day hee hath soe transgressed.” The law so broken, being found of very difficult application, is repealed the next month. Aug. 5.

While means are thus taken to keep the price of goods and labor within limits, suited to preserve the medium of exchange from depreciating, business is transacted conveniently with the Indian money. ³“Our neighbours of Plymouth trade this year at Kenebeck, so as Mr. Winslow carried with him into England, about twenty hogsheads of Beaver, the greatest part whereof was traded for wampage.” 12.

As a sample of what coin or its equivalent would command in travelling, we offer the subsequent injunction. ⁴“Noe person that keepest an ordinary shall take above 6^d a meale for a person, and not above 1^d for an ale quarte for beare out of meale time vnder the penalty of 10^s for eury 3. Sept.

¹ Plymouth Colony Records.

² Mass. Colony Records.

³ Winthrop, 1 v.

⁴ Mass. Col. Records.

1634. offence, either of dyet or beare." While a landlord was thus tied up to economic rules, he was strictly required to suffer no whiffs nor fumes of tobacco within his premises. So restricted, he had little opportunity to play either Shylock or Falstaff.

Feeling constrained to increase their means of defence, the General Court pass a law, which wears the appearance of more favor for Mars than for Minerva. ¹" It is ordered that hereafter farthings shall not passe for currant pay. It is likewise ordered, that muskett bullets of a full boare shall passe currantly for a farthing a peece, provided that noe man be compelled to take above 12^d att a tyme of them."

1635.
March
4.

As a matter of general convenience and utility, the succeeding enactment is passed. "It shalbe lawfull for any man to pay his rate to the Treasurer in merchantable corne of the country at v^s the bushell. This order to continue till nexte harvest." Though the last clause is here appended, yet the custom, so legalized, of satisfying the Colonial demands with grain, is continued for a considerable period of years.

To keep items of currency within reasonable bounds, according to the fair value of them, both at home and abroad, the ensuing regulations are adopted. "Noe Indean corne, (except seede corne) shalbe solde for above 6^s per bushell, vnder the penalty of forfeiture of such corne, or the valewe of it. Merchantable beaver shall passe att x^s the pound."

Vigilant to preserve a salutary balance between the prices of labor and merchandize, and the medium of exchange, so that neither may injuriously preponderate, the government adopt the succeeding regulation. "Whereas two former lawes, the one concerning the wages of workemen, the other concerning the prizes of commodityties, were for dyvers good consideracons repealed this present Court, nowe for avoydeing such mischiefes as may follow therevpon by such ill disposed persons as may take liberty to oppresse and wronge their neighbours by takeing excessive

¹ Mass. Col. Records.

wages for worke, or unreasonable prizes for such necessary merchandizes or other commodyties, as shall passe from man to man ;—It is therefore nowe ordered y^t if any man shall offend in any of the said cases against the true intent of this lawe, hee shalbe punished by fine or imprisonment according to the quallity of the offence, as the Court vpon lawfull tryall and conviccon shall iudge.” Notwithstanding the rod of legislation was thus lifted, as a terror to evil doers, it did not have its intended and full effect. “Josuah Huyes hath forfect v^s for knyves, and iiiⁱ vi^d for scythe, which hee solde for above iiiⁱ d in the shilling proffitt.”

Oct.
6.

That articles, then regarded as luxuries, and an indulgence in them dreaded as the precursor of disarrangement and detriment to the medium of exchange, might be discouraged in their importation to this Colony, the ensuing regulation is adopted. “For preventing the imoderate expence of provisions brought from beyond the seas, it is ordered, that whosoever, after three months from the date hearof, shall buy or receive out of any ship, any fruite, spice, shugar, wine, strong water, or tobacco, shall pay to the Treasurer one sixth part of the price or valew thereof, and every person who shall buy or receive any of the said commodyties with intent to retaile the same to others, shall pay to the Treasurer one third part of the valew or price thereof: provided that this order shall not extend to such wine as the deacons of the Churches shall buy or procure bona fide for the Churches’ publike vse.”

1636.
Dec.
7.

As a more particular indication of the manner in which grain and peltry were current for public uses, we have the succeeding item, relative to a tax assessed on the several towns. ¹“It is agreed that good merchantable corne shall passe for payment in this rate at 5^s the bushell, to bee so delivered at Boston at the appointment of the Treasurer to bee called for when the Treasurer please. And it is ordered that the Deputie’s debt shalbe paid to him in money or beaver.”

¹ Mass. Col. Records.

1636. Aware that the board at public houses, if extravagant, not only required a corresponding price from the traveller, but also put him in the hazard of contracting a taste for similar fare at his own house, and thus promoted a costly mode of living, ever unfavorable to the pecuniary concerns of community, our civil fathers thus interpose their authority :—"Whereas complaint hath bene also made that diverse pore people, who would willingly content themselves with meane dyet are forced to take such dyet, as is tendered them at 12^d the meale or more; it is now ordered that every keeper of such Inn or comon victualling house shall sell and allowe vnto every of their guests such victuals as they shall call for, and not force them to take more or other then they desire, bee it never so meane and small in quantity, and shall affoord the same and all other dyet at reasonable prizes vpon paine of such fine as the Court shall inflict according to the measure and quantity of the offence."
1637. Nov. 2.

Vigilant to keep down, in some respects not yet specified, what they deem extortion, and a foe to sound currency, the Assistants take the succeeding step.—"Whereas there hath bene divers complaints made concerning oppression in wages in prizes of commodyties in smith's worke, in excessive prizes for the worke of druaghts and teames and the like, to the great dishonor of God, the scandell of the Gospel and the greife of divers of God's people both heare in this land and in the land of our nativity, the Court takeing into consideration, hath ordered it that it shalbee duely considered by Mr. Endecott, Mr. Bellingham, Mr. Herlakenden, Mr. Winthrope iunior, Mr. Saltonstall, Mr. Bradstreet, Mr. Staughton, Mr. Peters, Mr. Noise, &c. to bring into the General Court their thoughts for the remedying of the same."

How far the currency would go to meet a principal expense of legislation, may be perceived in this law :—"It is ordered that every towne shall beare the charges of their owne magistrates and deputies and to alow for a magistrate 3/6 a day and for a deputy 2/6 a day from the time

May 2.

of their going out to the Court, vntil their returne, for their dyet and lodging.” 1638.

The merchants of England and Ireland having sent cargoes hither for sale, and thereby drained the colony of its cash, the legislature pass the subjoined resolve:—
 “Whereas many men in the plantation are in debt and heare is not money sufficient to discharge the same though their cattle and goods should bee sould for halfe their worth, as experience hath shewed upon some late executions, whereby a great part of the people in the country may be undone and yet their debts not satisfied, though they have sufficient upon an equall valewation to pay all and live comfortably upon the rest. It is therefore ordered that upon every execution for debts past, the officer shall take land, houses, corne, cattle, fish or other commodityes and deliver the same in full satisfaction to the creditor at such prizes, as the same shall bee valewed at by three understanding and indifferent men to bee chosen, the one by the creditor, another by the debtors and the third by the marshall. And the creditor is at liberty to take his choyce of what goods hee will, and if he hath not sufficient goods to discharge it, then hee is to take his house or land as aforesaid.” 1640. Oct. 7.

In reference to this state of depression, the elder Winthrop thus expresses himself:—“The scarcity of money made a great change in all commerce. Merchants would sell no ware, but for money. Men could not pay their debts, though they had enough. Prices of land and cattle fell soon to one half and less, yea, to a third, and after to one fourth part.” This is but one of the many scenes of adversity, which our ancestors experienced, while laying the ground work of our political heritage. They strove to render it the means of their personal improvement, and of their greater fitness to receive and use the mercies of Providence. In this they were eminently wise. Well for us, if recent embarassments lead us to imitate their example. It should, also, be a dutiful stimulus for us to know, that our sires breasted higher and stronger waves, stood louder and more deso-

1640. lating storms, than we have been called to meet, and still held on their way commendably and perseveringly.

Oct. 7. The want of coin enhances the rate of wampum. "It is ordered, that white wampompeage shall passe at four a penny and blew at two a penny and not above 12^d at a time except the receiver desire more."

In conformity with a regulation, now becoming more particular and frequent than before, the General Court fix the price of the subsequent articles, as part of the circulating medium. Indian corn at 4^s, summer wheat 6^s, rye and barley 5^s, and peas 6^s a bushel. Simply considered as aliments of life, it is well known that these products have far more intrinsic worth than the finest gold or the purest diamonds. Place the issues of Potosian mines, in ever so large quantities, before a people incapable of procuring supplies for their appetite, and what will they profit them? To some extent, like Esau, they would exclaim—"Behold, we are at the point to die;" give us nourishment, silver and gold cannot sustain us. This is an indication, that the practice of former years, for embracing within the range of currency, necessary as well as artificial representations of property, was no great departure from sound discretion. We are told, that while the mania of speculation lately filled many minds with nothing but golden dreams, the Messrs. Josephs of New York forwarded a schedule of various stocks to the Rothschilds of Europe. The reply of these shrewd bankers was, "We don't think much of a country that imports its bread." This rebuke should be heard and improved by our Republic, so that, however she may not raise grain for currency, she may do it to feed her millions and give stability to her pecuniary interests.

With reference to the legal premium allowed for the loan of currency, it had been eight per cent., and so continues till a short time after the second charter. The occasional necessities for this period, however, did not always keep within the limits of the statute.

1641. To enlarge the funds of exchange and aid to cancel the
June 2. public debts, the civil authorities let out the wampum

trade as well as that of fur, to a certain company. For ^{1641.} this privilege, the stockholders are to reserve one-twentieth of all their peltry for the Colonial treasury, and also to purchase whatever wampum the college may have paid to it, if not exceeding at one time the sum of £25. One of the same association is authorized to collect wampum, due the government as tribute, from the Block Island and other Indians. The method here stated, of adding to the currency by yearly payments from the natives, as a bonus for the protection afforded them and an acknowledgment of their subjection, constituted a considerable revenue.

To prevent taking advantage of persons,¹ forced to pay the demands upon them in live stock, the Court adopt the succeeding method:—"Whereas it hath appeared to this Court, that there hath bene much difference in the country in the appraisement of cattle, which is conceived to arise from the different rules which men have gone by in such appraisements, this Court having weighed the great inconvenience which may follow upon such appraisement, have thought fit to declare what is conceived to bee the true rule to bee followed in such cases, viz: that it is not to bee iudged the market or true price, which some are forced by urgent necessity to sell a beast for; but what benefitt may arise by the milke and increase of a cowe, or labor of an oxe, charges of hay &c. considered, and it is desired that all men will endeavour to frame their commerce according to this rule." June 10.

As a great reduction had taken place in the price of corn, cattle and other produce, and money was scarce, workmen are required to graduate the price of their labor accordingly. June 14.

²In order to accommodate persons who drive cattle to Boston, for the payment of public rates, as well as for other purposes, ³"so that they be weary, or hungry, or fall sick, or lame, it shall be lawful to rest and refresh them

¹ Massachusetts Colony Records.

³ Colony Laws, p. 100.

² This appears to have been after October, 1641.

1641. for a competent time in any open place, that is not corn, meadow, or inclosed for some particular use."

¹The civil authorities, constrained to compensate those whom they employed, in the kind they received, order, that 250 bushels of corn shall be delivered to the gunner of the castle for his salary.

1642. Among the coins in good credit with our ancestors, are
Sept. 8. such as the subjoined enactment specifies:—"This Court considering the oft occasions wee have of trading with the Hollanders at the Dutch Plantation and otherwise, therefore order, that the Holland ducatoon being worth three gilders shalbee currant at 6^s in all payments within this jurisdicon. The rix-dollars being two and half gilders shalbee likewise currant at 5^s, and the ryall-of-eight shalbee also currant at 5^s." The name of these coins was more frequently heard than they were seen and handled.

1644. While there was impoverishment of estate, measures
Oct. 30. were taken to enrich the intellect. In compliance with advice given by commissioners of the United Colonies, the Legislature order, that each family contribute a peck of corn, or 12^d in money, "to help forward the maintenance of poor scholars in the colledge." This option, as to the sorts of circulating medium, was exercised more fully in bestowing the products of the field than in the proceeds of the mine.

Speaking of an assessment laid on the several towns to defray the country charges, the Court thus express themselves:—"This levy of £616 15/, each Towne's proportion is, as above expressed. It is determined y^t each
1645. May 14. Towne shall pay y^e one halfe of their rate to y^e treasurer within three months in cattle to be valued by three men indifferently chosen by y^e treasurer and owner thereof, in beaver, money, wheate at 4^s, barley at 4^s, rye 3/6, pease 3/6, corne 2/8, and y^e other halfe at or before y^e last of y^e first month next."

There was a great and fearful embarrassment as to hard money and every species of exchange. A main cause of this was, that the foundations of all confidence were

¹ Massachusetts Colony Records.

broken up, and inhabitants continually emigrated to other parts, in consequence of the contentions in England ^{1645.} between the Royalists and Parliament. The head had become confused by jarring elements, and each of its members was deprived of its guide, and compelled to depend on its own resources. Nor did so thick a darkness, resting on the whole face of the country, speedily pass away. To this point we have the relation of Governor Winthrop. "I may report a passage between one of Rowley and his servant. The master being forced to sell a pair of his oxen to pay his servant his wages, told his servant he could keep him no longer, not knowing how to pay him next year. The servant answered him, he could serve him for more of his cattle. But what shall I do (saith the master) when all my cattle are gone? The servant replied, you shall then serve me, and so you may have your cattle again."¹

From so distressed a condition of the civilized, we look to one of the instances, in which the riches of the untutored natives frequently took wings and flew away. "Sagamore Raynowet² for consenting to y^e Narragansetts Oct. was fined ten fathom of wampom, to pay five fathom y^a yeare and five fathom y^e next year, and he was admonished never to do the like, if he did, to be cramed."

With regard to such money, it began to be a common thing for inventories of deceased Colonists to have among their various items of account, particular sums of wampumpage.

For the purpose of preventing the injury of pecuniary interests, it is enacted, that any individual forging notes of hand, or other paper relative to property, ³"shall stand in ^{1646.} the pilory three seuerall lecture days, and render double Nov. damages to the party wronged, and disabled to give any evidence or verdict to any Courte or Magistrate."

That we may have knowledge of the prices at which live stock was estimated, either for a medium of exchange or otherwise, the succeeding rule is presented. ⁴"For y^e

¹ Winthrop, vol. i. p. 220.

² Mass. Col. Records.

³ Colony Laws, p. 155.

⁴ Mass. Col. Records.

1646. avoiding of all complaints by reason of unequall rates
 Nov. either of towns or persons occasioned through y^e want of
 4. one generall way and rule of rateing through out y^e
 countrey and y^t levies hereafter may bee more easy, equall
 and certaine ;—It is hereby ordered, y^t in all publike rates
 (till this Courte take further order therein) all sorts of
 cattle shalbe valued, as hereafter is exprest,—viz: cowes
 of four yeeres ould and upward £5; heifers and steers,
 betwixt three and four yeeres ould £4;—heifers and steers,
 between two and three yeeres ould 50^s, and between one
 and two yeeres ould 30^s; oxen of four yeeres ould and
 upward £6; horses and mares of four yeeres ould and
 upward £7; of three yeeres ould £5; betwixt two and
 three yeeres ould £3; betwixt one and two yeeres ould 40^s;
 sheepe above a yeere ould 30^s; goats above a yeere ould
 8^s; swine above a year old 20^s; ases above a yeere ould
 40^s,” &c. Such estimations were repeatedly made by the
 General Court. These, just mentioned, are very much
 below what they were prior to 1640.

While peltry was desired and sought as a staple com-
 modity of exchange, the Government, to help supply their
 exhausted treasury, make the ensuing requisition. ¹ “Or-
 1647. Nov. dered that the trading establishments for traffic with
 16. Indians shall be contributory to the public charges, and
 pay two pence for every beaver, otter, bear, and moose
 skin, or forfeit the same.”

That we may have an idea how the shell currency of
 the natives was prepared for ready exchange, we are pre-
 1648. sented with the ensuing regulation:—² “It is ordered for
 Oct. trial till the next Court, that all passable or payable peage
 18. henceforth shalbe intire without breaches, both the white
 and black, without deforminge spotts, sutably strunge in
 eight knowne parcells, 1^d, 3^d, 12^d, 5^s, in white; 2^d, 6^d, 2/6^d,
 and 10^s, in blacke.”

It appears that while coin is rarely met with, our
 1649. exchequer has more of the Indian money than they can
 May well manage. It is enacted, “that it shall not be in the
 2.

¹ Colony Laws.

² Mass. Col. Records.

liberty of any towne, or person to pay peage to their country rate, nor shall the Treasurer accept thereof." 1649. This example of the Government is soon imitated by the people. To arrest the progress of such a consequence, an injunction of the Court is issued. Its words are,—“It is ordered, that wampampeage shall passe current in payment of debts to the vallew of forty shillings; the white at eight a penny and the black at four—so as they be entire and without breaches and deforming spots, except in payment of countrye rates to the Treasurer.”

As specie still remains inconveniently scarce, one reason for it is the vigilance with which the authorities of England prevent its exportation hither. In the act of Parliament for incorporating the Society to Promote the Gospel in this country, and thus patronize the labors of Eliot, Mayhew and others among the Indians, there is the subsequent clause. Collections are to be made in the Churches of England and from house to house, ¹“provided the act extend not to the enabling or allowing of transportation of any gold, silver, plate, bullion or other commodities, prohibited by the laws and statutes of this nation.” July 19.

As grain and live stock, collected for Colonial taxes, were customarily brought to the Treasurer for being estimated, and such a practice not giving general satisfaction, the Deputies pass the subjoined resolve. ²“For a more equal way in the appraising of cattle and other goods to be paid in the several Towns for their country rates, and that the Constables be not put to bring such goods to the Treasurer for appraisement,” it is required that a fit person be employed in each town for this business. The Magistrates concur, if the Treasurer appoint one appraiser, the owner of the property another, and the Marshal be the third. 1650. Oct. 26.

At this period, a change takes place in the pecuniary concerns of Massachusetts, which is in greater harmony with modern predilections, than others previously named.

¹ Hazard.

² Mass. Archives—Pecuniary, vol. i.

1650. Perceiving that European merchants still drew from this country the specie, derived from the Dutch, Western Islands, and elsewhere, the Legislature determined to set up a mint of their own. ¹ An additional cause for such a purpose, is, that our vessels, which traded to the West Indies, took considerable quantities of "light Spanish coyne, whereby many people were cousened, and the Colony in danger of being undone thereby;" and to prevent this deception, it was deemed requisite to have this coin melted down here, and stamped according to its weight and value. Hutchinson informs us, that our commerce to the West Indies brought home part of the bullion, taken by numerous buccaneers from the Spaniards and circulated there, and this was another call for our fathers to make their own coin. Besides, our ancestors were induced so to do, because they supposed the opportunity for it, more promising than any which might be expected for a long time to come. It was but recently, that Parliament had proposed to exchange the Patent of this Colony for a new one, and thus showed an inclination to draw cords of subjection more closely around the people here. A further consideration was, that our forefathers felt themselves as much justified in being independent of Cromwell, as he was in throwing off the yoke of Royalty. Hence it followed, that so far as they could, without coming to an open rupture with him, they declined the commital of themselves to his policy, and acted for the prosperity of their own Commonwealth.

Their intention to establish a mint, was accompanied with circumstances which greatly ward off from them the charge of treason, so often brought against them after the fall of the Cromwell administration, and inconsiderately repeated by Robertson and other historians. Still it is evident, from the manner in which our ancestors subsequently defended themselves against the charge of exercising a right of the throne, by issuing specie of their own manufacture, that they felt the force of the position, that

¹ Massachusetts Archives—Political vol.

coining money in all States belonged to the supreme power thereof. 1652.

With respect to such an institution the General Court give their own views. ¹“It is ordered, and by the authoritye of this Courte enacted, that the printed order about money shall be in force vntil the first of September next and no longer. And from and after the first of September next and no longer, the mony hereafter appointed and expressed shall be the current mony of this Commonwealth and no other, vnless English, (except the receivers consent thereunto.) In pursuance of the intent of this Courte herein, be it further ordered and enacted by the authoritye of this Courte, that all persons whatsoeuer have libertye to bring in vnto the mint howse at Boston, all bullyon, plate or Spanish coyne, there to be melted and brought to the allay of starling silver by John Hull, master of the said mint and his sworne officers, and by him to be coyned into twelve penny, six penny, three penny peeces, which shall be for forme flatt and square on the sides, and stamped on the one side with *NE*, and on the other side, with the figure *xii^d*, *vi^d*, and *iii^d*, according to the valew of each peece, together with a privy marke, which shall be appointed euery three months by the Gouvernor, and knowne only to him and the sworne officers of the mint. And further, the sayd master of the mint aforesaid is hereby required to coyne all the said money of good silver of the just allay of new starling English mony, and for valew to stampe two pence in a shilling of less valew than the present English coyne, and the lesser peeces proportionably. And all such coyne, as aforesaid, shall be acknowledged to be the currant coyne of this Commonwealth, and passe from man to man in all payments accordingly, within this iurisdiccon only. And the mint master for himselfe and officers, for their paynes and labour in melting and refining and coyning, is allowed to take one shilling out of every twenty shillings which he shall stampe—and it shall be in the liberty of any person who brings into the mint howse any bullion, plate or Spanish coyne, to be present and see the same

May
31.

¹ Mass. Col. Records.

1652. melted, refined and alloyed, and then to take a receipt of the master of the mint for the weight of that which is good silver alloyed as aforesaid, for which the mint master shall deliver him the like weight in currant mony, viz. every shilling to weigh three penny troy weight and lesser pieces proportionably, deducting allowance for coinage as before expressed. And that this order, being of so great concernment, may not in any particular thereof fall to the ground, it is further ordered that Mr Richard Bellingham, Mr Wm Hibbens, Mr Edward Rawson, Capt John Leverett and Mr Thomas Clarke, be a committe appointed by this Court to appoint the mint howse in some convenient place in Boston, to give John Hull master of the mint the oath suitable to his place, and to approve of all other officers and determine what else shall appeare to them necessary to be done for the carrying an end of the whole order."

This document, as will appear from the sequel, was of no trivial results to our Colonial authorities. It also throws light on the hitherto obscure and unsettled question—When did the custom of computing in Old England currency go down in our country? It is plain from the legislative enactments, that there was a departure in Massachusetts from the method of calculating in Old England sterling, immediately in succession to Sept. 1, 1652. But the appointed standard of our first coin did not vary so much, in the estimation of our Legislature, from that of the London mint, as it soon did. Still from the alloy, expense and wastage of the bullion here, reckoned by European financiers as $22\frac{1}{2}$ per cent., and also the prejudice in the mother country against our coin, it would be very probable, had we no other proof, that the difference of exchange between our coin and that of London, speedily amounted to 25 per cent. In addition to this, however, we have the report of a Committee, designated by the General Court in 1654, which expressly states, that our coin passed abroad at the discount of one fourth part of its home value. Hence, there is reason to believe, that no sooner did our coin reach the London market, than it was valued at a rate one quarter lower than theirs, and that thus the

standard of New England currency was fixed as early as 1652. 1653. True, this pecuniary alteration has been allotted to 1690, when our government ordered bills of credit to be emitted. But such an assumption does not appear to be confirmed by the data already cited.

Not satisfied with the means of obtaining an increased medium of circulation for purposes of traffic, serious thoughts are entertained of resorting to paper money, in addition to what had been already issued by individuals. This, as well as other concerns of a similar nature, is apparent in the ensuing extract. It is a report accepted by the Legislature. Its language is, ¹“What hath bin thought of by any for raiseing a Banke or engaging in generall trade or relating to monies in regard of the badnesse of it, or highnesse or lownesse of it, with very many other matters tending to the promoting and well regulating of trade, will by this means be ripened, and things reduced to a more comfortable state, than wee now find.” June.

In a subsequent apology to the King, our fathers, alluding to this period, say, ²“For some years paper bills passed for payment of debts, which were very subject to be lost, rent or counterfeited, and other inconveniences.”

Relative to the further promotion of the mint.—The following is the oath administered to the mint masters. ³“Whereas you, John Hull and Robert Saunderson, are appointed by the order of the Generall Courte, bearing date the 10th of June, 1652, to be officers for the Massachusetts Jurisdiccon in New England, for the melting, refyning and cojning of silver, you doe here sweare by the great name of the Euerlasting God, that you will faithfully and diligently performe the duty of your places, that all mony cojned by you shall be of the just alloy of y^e English cojne, that euey shilling shall be of due weight, viz. three penny troj weight, and all other peeces proportionably, according to the order of Courte so neere as you can. So helpe you God.” 11.

“At a meeting of the Committee for carrying an end of 22.

¹ Mass. Archives.

² Mass. Archives—Political vol.

³ Massachusetts Archives—Pecuniary, vol. i.

1652. the order concerning money, it was determined,—First, that there should be a mint howse and all tooles and implements necessary thereto, built and procured at the countre's charge, which is in acting and a declaration accordingly made. Second, that warrants should issue out to the constables of Boston for the pressing of Isacke Culljmore for that service, which was done. Third, that another warrant should issue out to the sajd Isacke Culljmore for the empowring him to presse other workmen, carpenters, &c. as may joyne with him in the countre's service, which was done. Fourth, that the sajd mint howse shall be sett vppon the land of the sajd John Hull, and alsoe it is agreed betwene the sajd Com^{te} and the sajd John Hull, that whenever either by his death or otherwise the sajd John Hull shall cease to be the mint master, that then the countre shall have the ground y^e howse stands vppon at such prize as two indifferent men equally chosen by the countre and sajd John Hull or his assignes, shall determine, or else the sajd John on the like termes have the sajd howse as two indifferent men shall judge it to be worth at the choice of the countre." Here we have a sample of the manner in which our ancestors transacted business. Though not the most loving friends of royalty, yet they had no small spice of it in the execution of their orders. With them, it was no sooner said than done.

As to the building for the manufacture of coin, it did not call in requisition the talents of a Sir Christopher Wren—nor would it fully compare with many stately piles of our metropolis. It was ordered to be made of wood, to be sixteen feet square, and ten feet high. No doubt that this house, however circumscribed in its materials and dimensions, was then pointed out to the stranger as an object of more than ordinary curiosity. Certainly it did not deserve the rebuke of an adage, common in that day, "Twelve pence laid out on the purse, and only six pence in it."

Scarcely had the coin of our Colony seen the light, and excited the gaze of unsatiated curiosity, before it was

beset by the inventions of fraud. Such an evil was speedily taken in hand by the Legislature. Their words follow. ¹“For the prevention of washing or clipping of all such peices of money, as shall be cojned within this jurisdicon, it is ordered by this Courte and the authoritie thereof, that henceforth all peices of money cojned afore-said, shall have a double ring on either side, with this inscription — Massachusetts, and a tree in the center on the one side—and New England, and the yeere of our Lord, on the other side.”²

1652.

Oct.
19.

With all the exertions of the civil authorities to improve their currency, they were extremely low in funds, and constantly looking for an attack from a Dutch fleet. On this occasion, their language is, “As the countrje is in debt, no stock in the treasury, no meanes, at present, to raise any, so that workemen cannot be procured to finish the Castle, which yett is necessary forthwith to be done,” the several military companies must do it; one division of them by having each of their soldiers labor three days on this fortification, and another by being individually assessed 4^s 6^d.

1654.
May
3.

Thus troubled for the *want* of money, our fathers were also troubled about the little which was circulated. They saw, that however they had their coin less valuable than foreign, which rather tended to keep it at home, still it found vents enough to threaten its almost entire withdrawal from our shores. To hinder a result of this kind, General Court adopt, for substance, the succeeding report of their committee. ³“Whereas the end of coyning mony within this Commonwealth is for the more easy managing

12.

¹ General Court Records.

² A pine tree appears to have been a favorite symbol with the authorities of Massachusetts. They used it at this time, when expecting that events would so occur in England, as to afford them an opportunity of being an independent people. When they declared themselves free from British rule, they had it appointed on the State flag, April 11, 1776. It continued to the adoption of the thirteen stripes. Even before this appointment, it was under the colors with

such a tree, that the battle of Bunker Hill was fought by our forces. So long ago as when the Britons paid taxes to the Romans, they used the coin, among others, which had a tree on it, and which Camden supposes to be money paid for assessments on wood land. The pine tree, as used by our immediate ancestors, was probably more as a sign of permanency than of tributary subjection.

³ Massachusetts Archives—Pecuniary, vol. i.

1654. the traficque thereof within itself, and not intended to make retournes to other countrijes, which cannot advance any profit to such as send it, but rather a *fourth* part losse, vnlesse such persons doe oppresse and extort in the sale of their goods, to make vp the said losse, which practise occasioned heereby (through some men's preferring their owne gaine before publicke good) doth bring an undervalue vppon all commoditjes, raised among ourselues, and vtterly frustrate the end and vse of mony amongst vs." Therefore no coin of this Colony, except 20^s to pay each individual's expenses, is to be exported on forfeiture of the transgressor's whole estate. They further require, that a searcher for money be appointed in every port of entry.

Such repeated endeavors to keep specie from being carried out of the country, show how difficult it was to have legal enactments for this purpose strictly observed, when the balance of trade came in conflict with them. Suidas relates the legend, that Juno told the Romans that would they be rich, they must be just. So, would any people be just to themselves, and save their coin from being inordinately drawn from them, they must send, at least, as much abroad in commerce, as they have in return. ¹ "A country," says Montesquieu, "that constantly exports fewer manufactures or commodities, than it imports, will soon find the balance sinking; it will receive less and less, till, falling into extreme poverty, it will receive nothing at all."

In order to meet the exigencies of the time, and to continue the credit of various articles as a legal tender, the ensuing regulation is made by the government. ² "All contracts for mony, corne, cattle or ffish, shalbe satisfied in kind, accordinge to covenant, or in default of the very kind contracted for, in one of said kinds."

Aug.
22.

Not to lose sight of the simpler money of the aborigines, we present the ensuing article. In the first particular account issued by the Colonial Treasurer for the public eye, by request of Boston gentlemen, who said as to what

¹ Esprit de Loix.

² Mass. Archives—Pecuniary, vol. i.

was paid in rates, "how it reached its end is best knowne 1655.
to them, who had the disposing thereof," we have these ^{Jan.}
items:—"To so much peage burnt with the Treasurer's 20.
house, £35 10/. By 18 strings of peage for tribute, at 6
a penny, £45." Thus we have renewed notice, that the
currency of the natives was not yet supplanted by the
brighter products of the ore, and was still paid as the
earnest of their fealty.

As an instance of trouble, which frequently attended
the bringing of stock to our metropolis, for the payment
of Colonial rates, we have the story of Nicholas Norton,
late Constable of Weymouth. "Your petitioner presented 1655.
cattell here in Boston, which was refused both by the ^{July.}
Treasurer and Capt. Clarke, and when we had spent two
or three days thereabout and none would be received, we
droue home the said cattell." There can be little doubt
but that this complainant might have traced at least one
half of his perplexity to the fact, that his creatures had a
very striking resemblance to "Pharaoh's lean kine."

As a sample how Collectors were forced to receive 1657.
almost every article, whether the products of agriculture
or manufacture, in lieu of cash, we offer the following.
John Dickenson, late Constable of Salisbury, petitions
General Court, that, having taken *boards* in payment for
taxes, from people of his own town, because they had no
corn—and Treasurer would not allow him so much for
the boards, as he did—he may have redress.

To promote a wider diffusion of the Indian money, as
well as to prevent the continuance of oppressive monopoly,
the commissioners of the United Colonies interpose their
authority in the subsequent case. ¹Being informed that 1658.
the "Montackett" sachem had hindered the Pequods ^{Sept.}
from getting shells to make wampum, they required him 16.
to suffer his red brethren to share in such a privilege.

It seems that while the chief men of our Colonies were
thus endeavoring to have their untutored tributaries deal
with even handed justice, some of our own people com-
promised between their conscience and covetousness by

¹ Hazard.

1658. paying the public demands in the worst of their tithes.
 Oct. Hence an order was issued by our civil fathers, that no
 19. man should attempt to discharge his rates with '*lank*' cattle.¹

1662. That we may have an impression of the comparative
 May. cost, which occurred in the transporting of the grain currency to the place of its deposit, the succeeding charge is exhibited. On a tax of £70 6^s 8^d, to be answered in "country pay," by the town of Ipswich, Richard Russell, the Treasurer, charged for boatage £3 6^s, which was some over 5 per cent.

The mint renewedly invites our attention. With some, it was the ideal discovery of the alchymist, which was to make riches nearly as abundant here, as they were when Solomon "made silver to be in Jerusalem as stones."

But whatever speculations were indulged in reference to it, our civil authorities watched over it, with commendable vigilance, so that it might benefit their country as much as possible. ² They say—"The mint master is hereby inioyned of the first bullion that comes to his hand, to coyne two penny peeces of silver, in proportion according to the iust vallew and alloy of other monys, alowed here, to answer the occasions of the contry for exchange; that is, the first yeare fifty pounds in such small mony for every hundred pounds by him to be coyned, and for after time, twenty pounds in like mony annually for every hundred pounds, that shalbee coyned, and this order is to continue in force for seaven yeares."

³ Stimulated by the example of Massachusetts, the Colony of Maryland establish a mint. They however decide, that their coin, issued from such an establishment, shall be equivalent to English sterling.

⁴ Relative to our own specie, an interesting turn was given by Thomas Temple—a warm friend of New England and Governor of Nova Scotia—in conversation with His Majesty, Charles II. Being introduced to the King, while on a visit to London, he was permitted to kiss his hand.

¹ Colonial Records.

² Massachusetts Archives—Pecuniary, vol. i.

³ Chalmers.

⁴ Mass. Archives—Political vol. Life of Thomas Hollis.

This sovereign discoursed with him on the state of affairs in Massachusetts, and discovered great warmth of feeling against them. Among other things, he said, that they had invaded his right by coining money. Governor Temple told him, that the colonists thought it no crime to make money for their own use. In course of the interview, Mr. Temple took some of our coin from his pocket and presented it to the king. Seeing a tree on one of the pieces, Charles inquired what sort of a tree that was. The immediate reply was, it was the royal oak, which preserved his majesty's life. Such an answer brought the king to good humor, and induced him to hear the pleas which the governor made in favor of our colony. It is presumed from the character of Mr. Temple, that on this occasion he intended no deceit, but a pleasant, figurative allusion to a remarkable preservation of his majesty. 1662.

Among the severe trials of our government, was their being called to an account by the royal commissioners, who had come hither, respecting their mint. Thus they had the fruit of the dissatisfaction, so openly expressed by the King to Governor Temple. The commissioners declared, according to the generally received opinion of Europe, that the coining of money was a royal prerogative, for the usurping of which, the act of indemnity was the only salvo. They bore so hard on our civil authorities, in this and other respects, that they refused any further conference with them, and made an appeal to the throne. In this document we have the ensuing passage:— 1665.

“Royal Sir, a just dependance upon and allegiance vnto your majesty according to the charter, wee have and doe professe and practise and have by our oathes of allegiance to your majesty confirmed. But to be placed vpon the sandy foundations of a blinde obedience vnto that arbitrary, absolute and unlimited power, which these gentlemen (i. e. commissioners) would impose vpon us, who in their actions towards us, haue carried it, not as indifferent persons towards us. This, as it is contrary to your May 24. Aug. 1.

¹ Massachusetts Colony Records.

1665. majesty's gracious expressions and the liberties of Englishmen, so wee cannot see reason to submit thereto."

As a step towards softening the asperity of the King—
 1666. who could ill brook the independence of our ancestors
 Sept. in establishing their mint—they order "two very large
 11. masts," to be transported to London for his majesty's
 navy. They soon add to this present a ship load more of
 Oct. smaller sized spars.¹

However, given to understand by the royal agents from London, that their continuance of coining money was contrary to the pleasure of the crown, yet our rulers did not slack in their exertions for its furtherance. Perceiving that the mint masters, Messrs. Hull and Saunderson, made large profits by their employment, they applied to them, by a committee, to pay rent for their use of the building and apparatus. A report is made, that those two gentlemen will allow £40 for past occupation, and £10 annually in future, on a lease of seven years.

1667. A computation being made, as to the average cost of
 Oct. transporting the produce for taxes, from different parts of
 9. the colony to Boston, it was found to be not less than one-tenth. To avoid, in some degree, such loss, the Treasurer is instructed to pay the colonial creditors out of the commodities collected for rates, in the towns where they reside.

Oct. As a reason for repealing an act, for laying a duty of one per cent. on imports and exports, and two pence on each bushel of grain from adjacent colonies, a petition from Marblehead to General Court, holding similar ideas with another from Salem, has the ensuing language:—² "If the necessity of y^e country call for other supply, it may bee raised one mony imported, by causing peices of eight, viz: Pillar Mexico and Seville to bee valued at six shillings per peice and so to pass, which may cause plenty of it amongst us." Such proposals, in one form or another, were frequently made in order to regulate the medium of exchange.

¹ Sir Henry Ashurst and other friends of our Colony, being in London, are empowered to hire £1,000

there, to pay for the expenses of sending these presents to England.

² Mass. Archives—Maritime, vol. i.

The following is the caption of a report made to the 1669.
 Assembly relative to a similar subject:—¹“Being sensible June
 of the great necessitie of money for the more easie and 2.
 equal carrying on of commerce amongst us, and finding
 that coyning hath not fully answered the Court’s expecta-
 tions, but there still remaynes great want of a further
 supply—.” With this introduction, a proposal is made to
 repeal the law, which forbad all foreign coin, except of
 the mother country, to pass current; and to make each
 piece-of-eight, made of the finest sterling silver at 6^s,
 and its halves, quarters and eighths in like proportion, and
 other money at the same rate. This plan was evidently
 promoted by the petitions previously mentioned, but was
 not approved by the magistrates, and consequently delayed
 to be enforced.

To meet a change in the negotiations of business, the 1670.
 subsequent order is passed:—²“Whereas the law titled Oct.
 payments doth make corne, cattle and fish equall with 11.
 money and to be payd as money, when money is indented
 for, which, at that time, when the law was made, was as
 good as money, but now is otherwise and proveth prejudi-
 ciall on several accounts,” therefore contracts for specie,
 shall be paid in specie.

The project for having other foreign coin pass here as
 well as that of England, being kept on the tapis, and
 becoming increasingly popular, is now adopted. “Whereas 1672.
 peeces-of-eight are of more value to carry out of the Oct.
 country then they will yeild to mint into our coyne, by 8.
 reason whereof peeces-of-eight which might else come to
 coyning are carried out of the country, It is therefore
 ordered by this Court and the authority thereof, that all
 peeces-of-eight, that are full weight and good silver, that
 is of six shillings of N. E. money, of Mexico Sevil and
 Pillar, and so all less peeces of each sort shall passe in this
 jurisdicon as current as our oune money, peeces-of-eight
 at six shillings a peece, and all less peeces proportionably
 thereunto, provided that all such peeces, that shall passe in
 this jurisdicon have a stampe affixt vpon them, which

¹ Mass. Archives—Pecuniary, vol. i.² Colony Records.

1672. shall be *NE*, to evidence that they are of right alloy and due weight, and that Mr. John Hull and Mr. Robert Saunderson, or either of them, bee the persons for the tryall and stamping of such money, and that thereby fower pence vpon the pound payd for the rest, one fowerth thereof to the office and the rest to the country Treasurer." Pieces-of-eight under weight of 6^s shall pass for so much of N. E. money, as they weigh, and "that it be impressed vpon the stampe how much each peece doth weigh, in legible figures with the other letters on the same and of the same alloy."

Notwithstanding the obstructions thrown in the way of the mint here by royal authority, it is leased again, in accordance with the subsequent report:—"That the former masters of the mint, Robert Saunderson and John Hull, doe continue to mint what silver bullion shall come in for this seven yeares next to come, if either of them liue so long, and doe receive of those that bring bullion to the mint as a full reward for their pains twelve pence for every twenty shillings, and three pence for the waste of every three ounces of sterling silver that they shall so mint, viz: fueteen pence in the whole for euery twenty shillings, and the sayd minters are to pay into the Treasurer of the Country in money twenty pounds per ann. during abouesaid terme."

Oct. 13. So pressing was the want of specie, experienced by the government, in consequence of Philip's war, they offer to abate twenty-five per cent. on taxes, payable in grain, to all who advance cash.¹ During the same disastrous contest, such discount reached one half the estimated price of country pay.

A mode, having some approximation to paper currency, is now introduced. It is thus expressed by the Legislature:—"For prevention of the charge and trouble of transportation of the rates to be leveyed, to the Treasurer of the country, as also matter of convenience, therein appearing, It is ordered, that bills for wages, horses, provisions, &c. being regularly passed to the sayd Treasurer,

¹ Massachusetts Colony Records.

the Treasurer vpon the desire of persons concerned, shall repasse bills to the Constables of such Townes, where sums are due vpon the aforesayd accounts." 1675.

As a means of lessening the difficulties, which attend the specie of the colony, a committee of the Legislature make the ensuing report:—¹"In pursuance of an order to obtain the coynage of bullion and stoppage of transportation of money, we have discoursed Cap. Hull and others, and find no other expedient but the raysing of the vallue of our coyns or making our money for future higher by nine or twelve grains, or making the mint free; for the first, if it be done, three half pence in the shilling and the law for exportation of money duly attended, we hope it may obtain what is desired,—the matter of paying coynage out of the Treasury, we find the charge uncertain, but great, and both expedients attended with difficulty, and therefore judge them worthy of further consideration. In the mean time, we judge it meet to double the custom of all wines, brandy and rhum imported, which being drawn into the Treasury, part of it may pay the charges of a free mint, if the Court afterwards see meet to improve the same." 1677. June 2.

Still perceiving that the finger of royal displeasure was pointed at them, on account of their mint and other concerns, the General Court order, that a peace offering be made to his majesty. ²It consists of these particulars, "tenn barrells of cranburyes, two hogshheads of speciall good sampe, and three thousand of cod fish." Oct. 10.

To their agents in London, our rulers thus express themselves:—"As for that particular of our coyning money with our oune impress, his majesty of his gracious clemency towards us, hath not been pleased, as yet, to declare his pleasure therein. And wee have confidence, that when he shall truly be informed of the simplicity of our actings, the public joy thereof to his subjects here, and the great damage that the stoppage thereof will inevitably be to our necessary commerce and abatement of his majesty's customs yearly accruing by our merchants and navigation 1678. Oct. 10.

¹ Mass. Archives—Pecuniary, vol. i.

² Mass. Colony Records.

1678. and is payd at London, his majesty will not account those
 ~~~~~ to be friends to his Crowne, that shall seek to interrupt us  
 therein and for the impress put vpon it, wee shall take it  
 as his majesty's signall ouning of vs, if he will please to  
 order such an impresse as shall be to him most accep-  
 table."

1680. For several years a plan had been on foot in the Colony,  
 May to have a free mint, or have bullion coined at it without  
 19. any charge to its owner. <sup>1</sup> Reasons assigned by a writer for  
 a change of this kind were, that it would remove general  
 complaint, lessen the languishment of trade, and increase  
 the amount of specie. Among his remarks were these,  
 that foreign coins came from the mint  $6\frac{1}{4}$  per cent. less in  
 value than they entered; that the stamp on our money  
 added nothing to its real worth—"a Spanish Cross in all  
 other places being as well esteemed as a New England  
 Pine;" that little coin was now made here compared with  
 what used to be, and that of this little a considerable  
 portion circulated in the other colonies.

1681. Having in view that, among the misdemeanors charged  
 June upon them at St. James, was the oft repeated one of mak-  
 1. ing money, our Legislature give their agents, bound to  
 London, the subsequent instructions:—<sup>2</sup> "You shall be  
 humble suiters to his majesty for the obteyning his Royall  
 grant freely to remit all bypast errors and deviations from  
 the rules of our Charter. And you shall also tender an  
 annuall recognition by vs to be made, as the acknowledg-  
 ment of our allegiance and humble thankfullness to his  
 majesty for his gracious clemency towards vs, to be payd  
 in twenty or thirty Beaver skinns annually, or in any  
 other thing of the groweth of this Colony as his majesty  
 shall please to make choyce on demand at Boston."

1682. Finding that the measures recently adopted to stop our  
 Oct. specie from being exported, and to increase it among the  
 16. people, did not succeed, the General Court raise the nom-  
 inal value of a Pillar, Mexico or Sevil piece-of-eight from  
 6<sup>s</sup> to 6<sup>s</sup> 8<sup>d</sup>, if weighing an ounce of silver, Troy weight,  
 and its parts in the like proportion.

<sup>1</sup> Mass. Archives—Pecuniary, vol. i.

<sup>2</sup> Mass. Archives—Political vol.

As a compensation to the Treasurer of the Colony for his constant liability to damage in receiving public claims on the inhabitants in grain, he is allowed 1<sup>s</sup> on £1, "he standing to the loss of measure and charge of warehouse room."

1684.  
Nov.  
1.

A report is made by officers<sup>1</sup> of the London Mint to the Commissioners of the Royal Exchequer, relative to the money of Massachusetts. They state that it was 22½ per cent. lighter than that of England, and that thereby much of their own coin was brought hither. They desire, that if the King continue the Boston mint, he would order its emissions to be of equal value with his own specie. They further remark concerning our Legislature, "though they have continued this unwarrantable way of coining monys ever since y<sup>e</sup> year 1652, yet there is no alteration of date appears upon the coyne, but the same date, viz. 1652, as at the first coining of them." With their conduct thus watched and criticised in London, our ancestors were soon to experience the feared, but deprecated suspension of their Charter privileges.

1685.  
Jan.  
15.

This event they soon realize. Though the long established form of our Colonial Government had departed, and its remains had come into hands of greater reputed royalty, to be modified and administered according to their instructions from the Crown, still the doors of our coining establishment were not yet closed. <sup>2</sup>This institution became the occasion of another report from the Earl of Rochester, Lord High Treasurer of England. Such a document advanced, as reasons why the mint here should be abolished, that a similar establishment had been refused to Ireland, even after being allowed to Sir Thomas Vyner and others in 1662, and another to Jamaica in 1679, applied for by the Governor of that Island, the Earl of Carlisle, and that they tended to injure the standard of coins, adopted by Parliament. The Committee added,—"As for the second part of Mr. Guy's letter, which directs us to think upon some other inscription more agreeable to the

1686.  
May  
15.

July  
15.

<sup>1</sup> Thomas Neale, Charles Duncombe and James Hoare.

<sup>2</sup> Massachusetts Archives—Pecuniary, vol. i.

1686. King's prerogative, to be stamp't upon the coyne of New England, if a mint be settled there, wee craue some time to consider of it."

While the mint here was endangered by such repeated attacks, measures were revived for the promotion of a Bank. The following action was had on this subject by President Dudley and his Council. <sup>1</sup>"Upon the consideration of the great decay of trade, obstructions to manufactures and commerce in this Country, and multiplicity of debts and suits thereupon, principally occasioned by the present scarcity of coyne. And for that it is not visible how the same may be remedied, unless some other secure medium be approved than the species of silver, which very injuriously hath been transported into other parts hence. And for as much as it hath been suggested and made appeare to us, that the defects aforesayd may be supplied with Bank Bills, or credit given by persons of estate and known integrity and reputation, which may passe with greater ease and security in all payments of twenty shillings or above, than monies coyned. And that other countryes haue found their Banks useful to their great flourishing in trade and wealth. And Bank credit or Bills are of greater value than ready money there. Also, that his Majestie's revenues in this Country cannot be so well answered by the present species of silver, without a great streightening, impayring, and damage to the merchandizing trade and dealings of his Majestie's good subjects in these his territories and dominions. And having perused and considered a proposall, made to us by John Blackwell of Boston, Esq<sup>r</sup>, on behalf of himself and divers others, his participants, as well in England as in this Countrey," liberty is granted for the Directors, or "Conservatives" of the Bank, to commence the issuing of bills, on security of real and personal estate, and imperishable merchandize.

This, like other kindred institutions, was hailed as the object of fresh and cheering hope. It was undoubtedly regarded by its advocates as promising them much more of a golden harvest than they realized. As the project of

<sup>1</sup> Mass. Archives—Usurpation, vol. i.

enterprising merchants in both hemispheres, it must have been viewed as a new bond of union between the Colony and its mother kingdom. Experience, however, probably taught them that banking was not so much a surer road to wealth than minting, as their sanguine expectations predicted. The history of that age, and of every other, as to commercial countries, has proved that no plans for enlarging the currency of a Commonwealth can really flourish, unless based on the earnings of its honest and industrious population. How long or how far the preceding Corporation continued their operations, we are unable to tell; because the records of the Presidential government of New England, while having entire copies annually forwarded to London, were left here only in loose and comparatively small fragments. This much, however, is certain, that if it existed, as it very probably did, till the Revolution of 1689, it did not survive any longer. As almost an entire stranger among the computed institutions of currency in our country, we quote the ensuing paragraph in relation to it, from a rare tract published in 1714. <sup>1</sup>“About twenty eight years ago, our fathers entered into a partnership to circulate their notes, founded on land security, stamped on a paper, as our Province bills, which gave no offence to the Government then and at that time, when the prerogative of the Crown was extended further than ever has been since.”

The Bank, to which this refers, had much resemblance, in its regulations, to one formed in London,<sup>2</sup> 1683, which did not keep long in operation.

Though the administration of Sir Edmund Andros was deemed very oppressive by the most of our Provincials, and though its expenses called for larger fees and greater taxes, yet it did not refuse to accommodate many of the people, in receiving from them country pay for their rates.

<sup>3</sup>It carried the spirit of accommodation so far, as to permit the public demand on Hingham to be paid in *milk pails*. Its coffers were kept open for the treasures of the field,

<sup>1</sup> Boston Athenæum Tracts, C 121.

<sup>2</sup> Boston Athenæum Tracts, B 654.

<sup>3</sup> Massachusetts Archives—Usurpation, vol. i.

1688. as well as of the mine. One report of the Treasury states  
 { Jan. its funds thus :—  
 1.

|                              |             |
|------------------------------|-------------|
| Corn remaining unsold, . . . | £ 938 11/1. |
| Money, . . . . .             | 1,340 10/3. |

1687 A considerable means of enlarging the specie circulation,  
 and was the arrival of several vessels, fitted out in Boston and  
 1688. elsewhere, with Indian divers, from some Spanish wrecks  
 on the north side of Hispaniola. Such vessels brought  
 from these sunken argosies, treasures of various sorts and  
 amounts. It was from the same source, that Sir William  
 Phips derived his title and his fortune.

Still, a supply of this kind was nothing near equal to  
 the increased charges to which many persons were sub-  
 jected, in defending their lands from being sequestered,  
 because they delayed to pay largely for new deeds of them,  
 1688. or in meeting the claims of quit rent on them. <sup>1</sup>The  
 inhabitants of Cambridge having been engaged in contro-  
 versy with Edw<sup>d</sup> Randolph, who tried to get a large piece  
 of their territory, thus express themselves in a petition to  
 the throne :—"Royal Sir, we have no way to procure  
 money to defend our cause in the law—therefore unto our  
 Royal master, as the public father of all your subjects,  
 do we make this our humble address for relief."

<sup>2</sup>With the recovery of their freedom, by the overthrow  
 of the Usurpation, our ancestors renewed their exertions to  
 sustain the Boston mint. <sup>3</sup>They sent a petition to William  
 and Mary, for permission to coin money, as they had done.  
 But this request does not appear to have had a favorable  
 reading, and of course the coining establishment, which  
 seems to have been suspended under the late administra-  
 tion, must soon have received its final quietus. Thus fell  
 an institution, around which the hopes and fears of our  
 fathers long clustered, and against which expressions of  
 regal dissatisfaction had been often uttered. Formed

<sup>1</sup> Hutchinson. Narrative of New  
 England Miseries.

<sup>2</sup>Mass. Province Records.

<sup>3</sup>Mass. Archives—Inter-Charter,  
 vol. i.

when the political foundations of England were broken up, and a dread uncertainty obscured her prospect, it closed when the storm of another revolution had recently swept through her domain, and was scarcely hushed.

However the mint was thus absolutely terminated, yet the products of its operation were long current in our country. Down to the Revolution of our Independence, they were often seen, and passed readily in business transactions, with other coin.<sup>1</sup>

Disappointed as to the renewal of their mint, and borne down to the very dust by the burden of debt,<sup>2</sup> incurred by the failure of an expedition against Canada, the General Court saw no other choice than to form a Provincial Bank, and issue paper money. Let their own words tell the cause for such a measure. <sup>3</sup>"Whereas for the maintaining and defending of their Majesties interest against the hostile invasions of their French and Indian enemies, who have begun and are combined in the prosecution of a bloody war upon the English of their Majesties Colonys and Plantations of New England, this Colony hath necessarily contracted sundry considerable debts, which this Court taking into consideration, and being desirous to approve themselves just and honest in the discharge of the same, and that every person who hath credit with the country for the use of his estate, disbursements or service done for the public, may in convenient time receive due and equal satisfaction; withal considering the present poverty and calamities of the country, and, through scarcity of money, the want of an adequate measure of commerce, whereby they are disadvantaged in making present pay-

Dec.  
10.

<sup>1</sup> Thomas Hutchinson, afterwards Governor, wrote to one of his correspondents in England, Feb. 23, 1761, "I will give Dr. Whitworth a N. E. shilling and sixpence, which I desire you to present, with my compliments to Mr. Jackson. As there never will be any more coined, and no other Colony ever had any coin, perhaps they will be looked upon as something of a curiosity." Mr. Hutchinson does not agree with Chalmers, who informs us, that Maryland had a mint in 1662.

<sup>2</sup> Gov. Wm. Shirley, in his speech of 1746, states that the expedition against Canada, in 1690, "cost the single Province of Massachusetts about £50,000, with the loss of an abundance of their young men by a malignant fever, that raged in the camp, and several distempers that happened in their way home, and gave this Province so deep a wound, that it did not recover itself in many years after."

<sup>3</sup> Mass. Province Records.

1690. ment, as desired, yet being willing to settle and adjust the accounts of said debts, and to make payment thereof, with what speed they can," a committee are empowered to make an immediate issue of £7,000, in bills from 5<sup>s</sup> to £5.

The form of such notes was as follows :—

No. (2161.)

10<sup>s</sup>

*This indented Bill of Ten shillings due from the Massachusetts Colony to the Possessor, shall be in value equal to money, and shall be accordingly accepted by the Treasurer and Receivers subordinate to him, in all public payments, and for any stock at any time in the Treasury. Boston in New England, Dec. 10, 1690. By order of General Court.*

\*\*\*\*\*  
\* L. S. \*  
\*\*\*\*\*

PENN TOWNSEND,  
ADAM WINTHROP, } Committee.  
TIM. THORNTON, }

Thus commenced a method of furnishing a paper currency, regulated by the government, and conducted by its officers, which continued till 1750, excepting some, in bills of small denominations, for change, emitted soon after that year. Notwithstanding all the safeguards which an honest and anxious government threw around such a price of their defeat in Canada, they were mortified and alarmed to perceive, that it failed to have a strong hold on popular confidence. <sup>1</sup>To aid in the prevention of a panic, relative to monied concerns, and ever injurious to community, Sir Wm. Phips came forward and exchanged, at par value, a large amount of his coin for the Province paper. Still he found the common fear stronger than his persuasion and example—greater than the funds of his wealth. The result proved most oppressive, where it always does in similar exigencies. <sup>2</sup>The soldiers, who survived the perils and pains of the expedition, the widows and orphans of their companions, who perished in the disastrous enterprise—were compelled, by want, to receive their dues in public bills, and to part with them at a discount of at

<sup>1</sup> Hutchinson.

<sup>2</sup> Boston Athenæum Tracts, C 55, C 62.



least one third. This opened a new source for speculation, 1690.  
with the usual pleas and objections for its being practised. ~~~~~

<sup>1</sup>It is ordered that the bills out and to be emitted, shall 1691.  
not exceed £40,000, "which is supposed will amount to May  
the full of what the country is indebted, and will probably 20.  
be called in again by the rates already granted." Here  
was a hopeful anticipation, which was not happily realized,  
because the protraction of the war prevented.

In order, however, to commence the accomplishment of Oct.  
their purpose, General Court require that £10,119 9<sup>s</sup> in 23.  
bills, collected by the Treasurer, be consumed by a com-  
mittee. Thus began a burning process, which was re-  
peated over a half century. Curiosity has preserved no  
residuum of the bills, as the Repository of the Royal  
Artillery at Woolwich has of the Bank of England notes,  
in a case of glass, for the examination of visitors.

<sup>2</sup>A writer of this period, in describing the unwillingness  
of many to take the paper currency, asks, "Is the security  
of one Plantation magistrate [in the West Indies] better  
than that of all the Massachusetts Representatives?" He  
adds, that the French in Canada had more faith in the  
promise of their government, for they readily took the  
notes issued from their treasury.

<sup>3</sup>To rectify the diminution of our paper, the ensuing  
order is passed. "Whereas their Majesties affaires within 1692.  
this Province do require a speedy advance for y<sup>e</sup> defence July  
of y<sup>e</sup> Province and y<sup>e</sup> prosecution of y<sup>e</sup> war against their 2  
French and Indian enemies, and there being no stock at  
present in y<sup>e</sup> Treasury to supply y<sup>e</sup> same, or to defray  
other y<sup>e</sup> necessary charges for support of y<sup>e</sup> government,  
be it therefore enacted that all Bills of publick credit  
issued forth by order of y<sup>e</sup> Generall Court of y<sup>e</sup> late Col-  
lony of y<sup>e</sup> Massachusetts Bay, shall pass current within  
this Province in all payments equivalent to money, and in  
all public payments at 5 per cent. advance. And for  
encouragement to such persons as are possessors of said  
Bills, to lend them for y<sup>e</sup> service of y<sup>e</sup> publick, it is further

<sup>1</sup> Mass. Province Records.

<sup>2</sup> Boston Athenæum Tracts, C 55.

<sup>3</sup> Massachusetts Archives—Pecuniary, vol. i.

1692. enacted that they shall be secured by y<sup>e</sup> publick Taxes and other Revenues, and shall be reimburs<sup>t</sup> in money within twelve moneths."

This remedy for restoring the paper to a par with specie, had its intended efficacy for about twenty years. <sup>1</sup> The bonus of five per cent. was allowed as often as the bills were brought to the exchequer, though several times in a year, which frequently occurred, because they were repeatedly issued.

This, which was more than six per cent. a year, virtually contradicts the ensuing representation of Smith, in his *Wealth of Nations*,—certainly in part, as to Massachusetts. "The paper currencies of North America consisted not in bank notes payable to the bearer on demand, but in a government paper, of which the payment was not exigible till several years after it was issued. And though the Colony government paid no interest to the holders of this paper, they declared it to be, and in fact rendered it, a legal tender of payment for the full value for which it was issued. But allowing the Colony security to be perfectly good, £100 payable in fifteen years hence, for example, in a country where interest is at six per cent., is worth little more than £40 ready money. To oblige a creditor, therefore, to accept of this money as full payment for a debt of £100, actually paid down in ready money, was an act of such violent injustice, as has scarce, perhaps, been attempted by the governments of any other country, which pretended to be free." Such language evidently shows, that Mr. Smith looked only at the worst features of our Provincial paper currency, and not at its best. Besides, a considerable portion of the Province bills were redeemed sooner than he appears to have supposed.

With regard to the loan of the bills to government, which a considerable number of merchants in Boston made, it did not operate so punctually, as was anticipated. In the petitions of the latter, they regret, that though the time had expired several months, yet the treasury had no coin to satisfy their claims.

<sup>1</sup> Boston Gazette, Aug. 20 to 27, 1739.

Among the various evils, aside from those of witchcraft, 1692. which attracted public attention, was the counterfeiting of the hard money. <sup>1</sup>The Legislature felt themselves called to deal with this crime more severely than before. Besides other judicial inflictions, those convicted of it were to stand in the pillory and each have an ear cropped. Still, though this and other severer measures were adopted, the organ of acquisitiveness, if we may use a phrenological phrase, had developed itself so inordinately in some, they braved the terrors of justice and aimed to debase the currency for their own gain. Nov. 24.

While thus guarding the medium of exchange by penal enactments, our civil fathers strove to improve it in other respects. They say—<sup>2</sup>“Forasmuch as the abatement of Interest hath always been found beneficial to y<sup>e</sup> advancement of Trade and improvement of lands by good husbandry,”—and they order that the long standing eight per cent. <sup>3</sup>interest be reduced to six. 1693. June 8.

Of the frequent difficulties, which attended the transportation of country pay for taxes, we select the following: <sup>4</sup>—A constable of Springfield, employed to collect the Province rates, received 130 bushels of peas. As the water carriage was most preferable, he had to make seven or eight journeys to Hartford and two to Boston, before he could get his heavy remittance for the colonial Treasurer, taken on freight. But however such toil was at an end, his chief anxiety begins. His adventure in descending the Falls of Connecticut River met with a sad mishap and was rendered unsaleable by being wet with the water. His townsmen laid his case before General Court, desiring, that as he was in the way of his duty for the public, he might not bear the loss. They lent a favorable ear to the petition. June 14.

Such a mode of gathering the public rates, being found thus inconvenient, and paper money serving the same purpose with much greater facility and economy, it appears

<sup>1</sup> Massachusetts Province Records.

<sup>2</sup> Massachusetts Archives—Pecuniary, vol. i.

<sup>3</sup> Essay on the governing causes of the Natural Rate of Interest, informs

us that the law of England reduced the interest there in 1623, from ten to eight, and in 1660 from eight to six.

<sup>4</sup> Massachusetts Archives—Pecuniary, vol. i.

1693. to have been last practised in 1694, with the exception of partial restorations, which will meet our notice in order of date. Thus was grain, as a currency, shut out from its principal course of circulation. Still, the custom was clothed, in the view of the aged, with the veneration and attachment of antiquity. Having associated itself with their youth, business and predilections, as well as with those of their fathers, they could not suffer it to depart without wishful looks and heartfelt adieus.

<sup>1</sup> With a partial reference to the custom so terminated, we adduce an extract from a female traveller:—"They give the title of merchant to every trader, who rates his goods according to the time and specie, they pay in; viz. pay, money, pay as money and trusting. Pay is grain, pork and beef, &c., at the prices set by the General Court. Money is pieces-of-eight, ryals, Boston or Bay shillings, or good hard money, as sometimes silver coin is called; also, wampum, viz. Indian beads which serves as change. Pay as money, is provision aforesaid, one third cheaper than the Assembly set it, and trust, as they agree for the time. When the buyer comes to ask for a commodity, sometimes before the merchant answers that he has it, he says, 'is your pay ready?' Perhaps the chap replies, 'yes.' 'What do you pay in,' says the merchant. The buyer having answered, then the price is set; as suppose he wants a 6<sup>d</sup> knife, in pay it is 12<sup>d</sup>; in pay as money, 8<sup>d</sup>, and hard money, its own value, 6<sup>d</sup>. It seems a very intricate way of trade, and what *Lex Mercatoria* had not thought of."

1694. The favorite coin of our ancestors—the pine tree money  
Sept. 21. —was still so plenty, <sup>2</sup> that £675 of it had been recently ordered for remission to Sir Henry Ashurst in London.

1697. Though the doors of our mint were closed by the hand  
Oct. 19. of Royalty, its coins continued, like other specie, subject to legislation. It is enacted, <sup>3</sup> that they pass at the value of their face, if not "diminished by washing, clipping, rounding, filing or sealing." Among the accompaniments

<sup>1</sup> Lambert's Colony of New Haven. Travels of Madam Knight.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Massachusetts Archives—Pecuniary, vol. ii.

to this money—ever welcome to the sight of true New England men, as one symbol of their by-gone struggle with Crown prerogative—Sevil, Pillar or Mexico pieces are to pass at 6<sup>s</sup> each, their halves pro rata, but their quarters at 16<sup>d</sup>, and the eighths, called reals, at 8<sup>d</sup>. 1697.

So engaged in fixing the standard of their specie, the Court <sup>1</sup>renew their care to bar its exportation. While there was this tendency in hard money to go abroad, as the stream to find its level, it was considerably increased by means which held no sympathy with honest gain. <sup>2</sup>Bucaneers, who had nefariously pushed their fortunes in various seas, secretly brought liberal portions of their ill-gotten wealth to our shores. Among them were Bradish and Kidd,<sup>3</sup> imprisoned in our metropolis and thence transported to London, where they paid the forfeit of their crime on the gallows. Dec. 22.

At this date, there was a scarcity of change. Such an occasion was followed with its usual consequences. 1701. Feb. 2.

<sup>4</sup>Regardless of their irregular example and bent on their own convenience and gain, not a few individuals stamped pieces of brass and tin, and palmed them on community at a penny each. They were speedily commanded by the Legislature to withdraw from their course or be fined and imprisoned.

To meet the common want, as just indicated, a committee of General Court report in favor of having Province pence made of copper. They also propose a bank, to be owned by responsible men, and solely confined to them. But both of these recommendations were negated by the Council. However thus arrested, they serve as a gauge of prevalent views, then existing, on pecuniary matters. Undoubtedly, the similar institution, formed here in 1686, and also the still flourishing one of London, commenced in 1694, and the like wants of trade at this date as well as in those, produced such movements. March 3.

<sup>1</sup> Massachusetts Archives—Pecuniary, vol. ii.

<sup>2</sup> Hutchinson. Annals of Salem.

<sup>3</sup> While Kidd was in confinement, his wife, coming to console him, had her plate and other property seized

and retained for a time. The ballad, commemorative of his career and end, is familiar to the childhood of many yet living.

<sup>4</sup> Massachusetts Archives—Pecuniary, vol. ii.

1701. In accordance with the suggestion of the Committee  
 March last named, it is ordered that pistoles of 4 dwts. 8 grs. pass  
 8. in all payments for 26<sup>s</sup>, and foreign gold of 2 dwts. and 4 grs. and not inferior to pistoles, for 13<sup>s</sup> each.

<sup>1</sup> Following the example of our Province, Barbadoes issues bills of credit on the fund of 3/9 tax for every slave, and Carolina also, on the rates paid for liquors, skins and furs.

1702. <sup>2</sup>The last parcel of Government bills, or Treasury  
 Feb. notes, as they may be properly called, which had been  
 26. emitted, as previously specified, were reissued in 1702, and amounted to £3,000. These, with others still out, were the only paper currency passing in all New England. How often or how much of it was emitted from the Treasury up to this time, was not particularly recorded among the transactions of the General Court. But no doubt the amount of it for such a period, as repeatedly issued and printed, must have been large, for the computation of that day.

<sup>3</sup>In reviewing the history of their paper currency, the House of Representatives inform us, that the taxes assessed from 1692 to 1702, inclusive, were nearly £11,000, one year with another. As it was customary for the Treasurer to pay the public debts with bills, before the taxes were collected, it is very probable, that the emissions and re-emissions of such money exceeded £110,000.

<sup>4</sup>Having been put in circulation before the arrival of the second Charter of William and Mary, they were denominated Old Charter Bills.

Nov. <sup>5</sup>The public being strongly desirous for more paper  
 21. currency, the Legislature vote to issue £10,000. The cause for such a step is thus given. "Forasmuch as by reason of the extream scarcity of money, and the want of other medium of commerce, the trade of this Province is greatly obstructed, and the affairs of the Government very much hindered, the payment of the publick debts and taxes retarded, and in great measure rendered impracticable, to the discouragement of souldiers and seamen

<sup>1</sup> Discourse on Currencies.— Holmes's Annals.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Mass. Prov. Rec. Dec. 18, 1739.

<sup>4</sup> Discourse on Currencies. Letters from Boston in 1744.

<sup>5</sup> Acts of Massachusetts.

necessarily employed on her Majesty's service in the defence of her Majesty's subjects and interest within the Province in this time of war." The bills were to run from 2<sup>d</sup>. to £5, and to have interest paid on them of five per cent. a year. It is "enacted that the duties of Impost and Excise, granted by this Court shall be a Fund and security for the repayment and drawing in of the said Bills to the Treasury again, so far as that will reach. And as a further Fund and security for the same, and for defraying of the further necessary growing charge of the Province, there is granted to her most excellent Majesty a tax of £6,000, to be levied on Polls and Estates both real and personal."

1702.  
Sept.  
27.

<sup>1</sup> As there are a few verbal variations in the phraseology of the bills of this emission, from those of the former, we give an example of one, that a comparison may be made. It will be perceived that this latter order of Bills is expressed to agree with the Provincial administration, while the former tallied with that of the Colonial.

No. ( ).

20<sup>th</sup>.

*This indented Bill of Twenty shillings, due from the Province of Massachusetts Bay in New England, to the possessor thereof, shall be in value equal to money, and shall be accordingly accepted by the Treasurer and Receivers subordinate to him, in all publick payments, and for any stock at any time in the Treasury.*

*Boston, November the Twenty-first, anno 1702.*

*By order of the Great and General Court or Assembly.*

|       |              |
|-------|--------------|
| J. R. | } Committee. |
| E. H. |              |
| N. B. |              |

The means thus provided to redeem the £10,000 in bills, were to be paid in a year, and all the preceding bills, now out, when drawn into the treasury, were to be no more circulated. This was a wise precaution, and had it been subsequently practised, it would have proved a safeguard to community.

<sup>1</sup> Mass. Archives—Pecuniary, vol. ii.

1703. <sup>1</sup> Still intent on meeting the public exigence for small  
 March change, another proposition is laid before the General  
 26. Court, that William Chalkhill, who had been an officer in  
 her Majesty's mint, but then resident at Boston, be con-  
 tracted with to import from England £5,000 worth of  
 copper pence. This appears to have been accomplished.

June <sup>2</sup> In reference to the different estimates placed by the  
 16. American colonies on the same coins, we make the suc-  
 ceeding extract. Col. Robert Quarry writes from New York  
 to the Lords Commissioners of Trade and Plantations:—"I  
 thought myself obliged to acquaint your Lordships, that  
 nothing could tend more to the encrease of Trade, and  
 the prosperity and good of these parts of the World, than  
 what your Lordships have proposed, the reducing all the  
 Coynes of America to one standard. It will make most  
 of the money center in England." A Virginian proposes  
 the same step to his correspondent in London, and thus  
 expresses himself,—“which standard, I humbly conceive,  
 should be as near the intrinsick value of sterling as pos-  
 sible.”

1704. In accordance with this plan, which appears to have  
 June been extensively discussed in both England and America,  
 18. her Majesty issues a proclamation from the castle at Wind-  
 sor. Its tenor is as follows:—

Dec. <sup>3</sup> “We having had under consideration the different  
 4 to 11. rates at which the same species of Foreign coins do pass  
 in our several Colonies and Plantations in America, and  
 the inconveniencies thereof, by the indirect practice of  
 drawing money from one Plantation to another, to the  
 great prejudice of the Trade of our subjects, and being  
 sensible, that the same cannot be otherwise remedied,  
 than by the reducing of all foreign Coins to the same cur-  
 rent rate within all our Dominions in America: and the  
 principal officers of our mint having laid before us a Table  
 of the value of the several Foreign Coins, which usually  
 pass in Payments in our said Plantations, according to  
 their weight, and the assays made of them in our mint,

<sup>1</sup> Mass. Province Records.

<sup>2</sup> Mass. Hist. Col. 3 s. vol. vii. p. 226.

<sup>3</sup> Boston News Letter, No. 34.



thereby showing the just proportion, which each Coin ought to have to the other, which is as followeth." Then a description is given which accords with the following Table.

"A computation made by <sup>1</sup>Mr. Newton, master-worker of the mint, according to which all Foreign coins may pass in her majesty's plantations, in proportion to the Rate limited in her majesty's Proclamation, for Pieces of Eight of Seville, Mexico and Pillar.

| Weight and intrinsick value of the following Species. |      |     |        | Rate of the said pieces in proportion to the limitation made by said proclamation. |                                                        |
|-------------------------------------------------------|------|-----|--------|------------------------------------------------------------------------------------|--------------------------------------------------------|
|                                                       | pwt. | gr. | Value. | To be taken for in the Plantations.                                                |                                                        |
| Seville ps. of Eight old plate,                       | 17   | 12  | 4/6    | 6/                                                                                 | This to be enforced from the 1st January next, 1704-5. |
| " " new "                                             | 14   |     | 3/7½   | 4/9½                                                                               |                                                        |
| Mexico ps. "                                          | 17   | 12  | 4/6    | 6/                                                                                 |                                                        |
| Pillar ps. of Eight,                                  | 17   | 12  | 4/6½   | 6/                                                                                 |                                                        |
| Peru " "                                              | 17   | 12  | 4/5    | 5/10½                                                                              |                                                        |
| Cross Dollars,                                        | 18   |     | 4/4½   | 5/10½                                                                              |                                                        |
| Ducatoons of Flanders,                                | 20   | 21  | 5/6    | 7/4                                                                                |                                                        |
| Ecus of France or Silver Lewis,                       | 17   | 12  | 4/6    | 6/                                                                                 |                                                        |
| Crusados of Portugal,                                 | 11   | 4   | 2/10   | 3/9½                                                                               |                                                        |
| Three guilder pieces of Holland,                      | 20   | 7   | 5/2½   | 6/11                                                                               |                                                        |
| Old Rix dollars of the Empire,                        | 18   | 10  | 4/6    | 6/                                                                                 |                                                        |

All halves, quarters, and less pieces, are to pass in proportion to the above rates.

<sup>2</sup>Relative to this document, Governor Dudley thus expresses himself in his speech to the Court. "By the last ships I received her Majesty's proclamation referring to the value of pieces-of-eight and other money, with command to publish the same in both governments in the most solemn manner, and to take care that there be no further inconvenience in that matter, by which I hope we shall see the end of all our complaints of clipping of money, and those rates being the same for all her Majesty's Plantations, I have reason to expect that our supply of money and trade will well proceed in proportion with our neighbours."

<sup>3</sup>However this order of the Queen was particularly given, and promptly enjoined by her Governors in America,

<sup>1</sup> Sir Isaac Newton.

<sup>2</sup> Mass. Archives—Speeches and Messages, vol. i.

<sup>3</sup> Gouge's American Banking.

1705. yet it does not seem to have been obeyed, except in Barbadoes.

Feb.

27.

<sup>1</sup> Relative to the paper, used for Treasury notes, and imported from the mother country, the Treasurer is requested to obtain forty reams in London, every ten of which are to have a different stamp, so that an impression may be visible in the centre of each bill, which, as the order reads, "will prevent any counterfeit, without the agreement of the Stationers and paper officers, which may not be supposed, and that the company of Stationers, who have the sole making of paper in England, be prayed not to use those stamps on any other occasion."

March

3.

Perceiving that hard money was alike subject to the arts of fraud with paper, Gov. Dudley issues a Proclamation. This says, "As by corrupt, wicked practices of some ill men, the running Coins within this Province are so debased and impaired by rounding and clipping, to the rendering of her Majesty's royal intention impractical," it is ordered, "that no money shall pass by Tale, but what is of due weight according to her Majesty's Proclamation and the laws of this Province, that all other light money and plate of sterling alloy shall pass and be good in payments by the ounce Troy, pro rata, until the end of the session of this Court in May next, when further consideration shall be had thereof."

June

11.

<sup>2</sup> The General Court confirm the Governor's Proclamation as to the standard of Coins.<sup>3</sup>

1706.

Nov.  
26.

Various other expedients, for the same end, such as the public reading of a Proclamation by Queen Ann, dated March 5, 1705, and sending fac similes of the paper money to every town, were adopted, as a hindrance to the harpies, who lay in wait to prey on the vitals of the body politic. Still, as "love laughs at locksmiths," so did the public defrauder at these methods for spoiling his game.

<sup>4</sup> Not only did such characters put forth their powers to

<sup>1</sup> Mass. Archives—Pecuniary, vol. ii.

<sup>2</sup> Provincial Records.

<sup>3</sup> The Council, in their vote for the Governor's Proclamation, say, March 3, 1705, that all other light

money and Plate of sterling alloy shall pass and be good in payments at 7s. oz. The House non-concurred. Afterwards they agreed with the Council in this particular.

<sup>4</sup> Boston News Letter, No. 174.

fill their pockets at the public expense, but also at that of 1707.  
 individuals. The subsequent fact was one of many, <sup>Aug.</sup>  
 which showed that private deposits for money were not so 11.  
 safe as those of modern years, in banking institutions,  
 though these have not always escaped the reach of the  
 plunderer. The brick ware-house of Thomas Palmer on  
 the Dock in Boston, was broken open, and a large iron  
 chest with nine bolts was robbed of its contents, amount-  
 ing to £4,000 or more, in pieces-of-eight and other  
 Spanish and New England coins, and in bills of credit.  
 Several persons were suspected. The Governor issued  
 a proclamation, offering pardon to all confessors of the  
 crime, except the principal and immediate actor, and a  
 reward of ten per cent. for all of the property returned,  
 which was to be paid by the owner.

<sup>1</sup> As a specimen of pecuniary remittances, the ensuing 1708.  
 is presented. "Any merchants or others that have any <sup>April</sup>  
 money at New York, and want to remit the same by bills 26.  
 of exchange to Boston, let them apply themselves to Mr.  
 Benjamin Faneuil of New York, where they may be  
 supplied."

At this period, before and afterwards, till the modern  
 system of banking was adopted, almost every family  
 who had money, would keep a pair of scales, to ascer-  
 tain the value of their gold coin which they took and  
 passed. Such advertisements as the subsequent one were  
 common after newspapers began to be printed here. "All  
 kinds of money scales made and sold by Caleb Ray, of  
 Boston."

While thus energetic to protect the monied interests,  
 our civil authorities, in common with the people, partook  
 of the ruling passion of England, for the dislodgement of  
 the French from North America, as the only permanent  
 security for British empire in these Colonies. They were  
 assured by her Majesty, that her Exchequer should meet  
 the costs of any expedition against the Canadas. Thus  
 encouraged, they soon yielded to her proposal. But such  
 an attempt was not to be made without price. For its

<sup>1</sup> Boston News Letter, No. 211.

1709. commencement, there was but little specie in the country.

June More paper currency must be provided. <sup>1</sup> Accordingly it  
10. is enacted that £30,000 be issued, with £10,000 of the former emission. The printer has particular instruction to impress a "scrowle of red ink through the body of the bill, the better to prevent counterfeits."

1711. After some delay, for want of orders from the Crown,  
July  
24. General Hill and Admiral Walker obtain £10,000 more in our bills to supply the land and sea forces. For the amount of both sums, bills of exchange are to be drawn on the Royal Exchequer, at the advance of forty per cent. Thus another quantity of paper, large for the age, is called out by an enterprise, like that which produced the first issue of such money from the Treasury. Both of these occasions were prolific sources of evil to the Province. Had they been crowned with success, they would have been differently considered. Not the least of their undesirable effects was fastening upon community a medium of exchange, unaccompanied with a necessary proportion of specie to keep it safe, which finally impoverished thousands, and became the origin of party animosities. Had the event been proportionate to the freeness, with which our fathers poured out their treasure and blood, they would not have again experienced the bitter and fearful disappointment of defeat. But they were yet to make more energetic efforts, to endure many hardships, to lose multitudes of lives, and to expend immense sums, before the flag of France was to be struck on the ramparts, which skirted the North and West of the British Territory.

<sup>2</sup> Another evil, consequent on the second crusade, as it was here construed—against Canada—was, that it brought the rest of New England and other Colonies under a sort of necessity of emitting bills of credit to pay their quotas of military forces. This was an inlet of much unsafe currency into our jurisdiction, which tended to diminish the value of what Massachusetts issued.

<sup>1</sup> Massachusetts Archives—Pecuniary, vol. ii.

<sup>2</sup> Discourse on American Colonial Currencies.

With regard to the emissions of this Province, there <sup>1711.</sup> was a further cause, which operated unfavorably to them. After their first year, they stood well till 1712. Then they visibly and gradually lost public confidence. This was owing to the manner, in which our government were forced to prolong the period for their redemption. <sup>1</sup>The new emission of 1703 was to be cancelled by taxes on polls and estates, in some over a year. This was as soon as the public rates could be conveniently collected, and therefore not an injudicious step of the government. Other emissions, to 1707, were to be redeemed from one and a half to nearly two years. But in the year just named, the gathering of the taxes, so that the issues of paper might be recalled, was put off for three years; in 1709, for four years; in 1710, for five years, and 1711 for six years. By such management, the burden of public debt was increased, and the Province bills accordingly multiplied and depreciated. The faith of the people being thus shaken, with regard to this currency, it becomes less and less, to an alarming and injurious degree, as we shall have occasion to notice. At first view, such a change should not have been suffered by government; but, in practice they had many discouragements and difficulties to prevent their avoiding of its commencement and continuance. The voice of a protracted and expensive war, continually and imperiously demanded of them more money than the inhabitants could pay without much depression, or than they could punctually obtain. They were under such a pressure, that they unwillingly submitted to the evil of burdening a future period with the expenses of the present; of rendering the children liable to pay the debts of their fathers.

<sup>2</sup>As an example of the worth of money in labor, the following is presented:—Carpenters had 5<sup>s</sup> a day for building the Town House of Boston, in 1712, with silver at 8<sup>s</sup> an ounce.

As explanatory of a mode in which the paper of other Provinces was circulated in ours, we have the succeed-

<sup>1</sup> Mass. Provincial Records.

<sup>2</sup> Discourse on Colonial Currency.

1712. ing :—<sup>1</sup>“ Her majesty’s government of the Province of New  
 June Hampshire, have ordered a certain sum of their bills of  
 2. public credit to be deposited in the hands of Mr. James  
 Pemberton of Boston, merchant, to whom all persons, that  
 have any of the said bills, which are worn out and un-  
 serviceable, may repair to have them exchanged.”

Nov. <sup>2</sup> In order to arrest the downward progress of the credit,  
 8. sustained by paper currency, there is a repeated enactment  
 that it shall be, at all events, specialties of contract  
 excepted, a legal tender. This measure failed of its pur-  
 pose. Under its long continuance, many debtors delayed  
 their payments so as to meet them with bills, purchased  
 at an increasingly reduced rate. Such management was  
 the spring of numerous litigations. Then they who  
 were no more closely clad with the garb of honesty,  
 than to put it off as expediency might dictate, exhibited  
 their propensity. Then such acquired temporary gain, if  
 that may be called so, which destroys principle, peace and  
 reputation, while those of sterner integrity, lost in their  
 worldly possessions, though increasing in a thousand fold  
 more in habits of moral excellence and in conscious recti-  
 tude. Indeed, it is a wise and merciful provision of our  
 Maker, that mind, in its talents, attainments, and especially  
 in its virtuous traits, should be an “immutable measure  
 of the man.”

1714. <sup>3</sup> At this period, there were three dominant parties with  
 reference to pecuniary concerns. One, adopting the prin-  
 ciple of antiquity,—“nil utile, quod non, honestum—  
 nothing is useful, but what is honest,—expressing their  
 views of paper currency, contended that this should be  
 abolished and no currency allowed, except that of the  
 precious metals. A second, both numerous and respecta-  
 ble, who were urgent for a private bank, based on real  
 estate. A third, no less large and honorable, who favored  
 a system of loaning by the Province to the inhabitants on  
 interest, payable annually, and applied to liquidate public

<sup>1</sup> Boston News Letter.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Boston Athenæum Tracts, C 55  
 and 62, 121. Vindication of the

Bank of Credit against aspersions of  
 Paul Dudley by John Burrell, Esq.  
 Hutchinson.

charges. From these confederations arose controversy, 1714. which scattered its baleful influence through towns, parishes, and even families. The advocates for a bank hold up, among several inducements, that if allowed to establish one, they will promote the erection of a <sup>1</sup>bridge over Charles River. The reply, subsequently made to this from the press, shows a prevailing want of acquaintance with such works, and how they were suspected by no small number, as nothing more than fancies of a disordered intellect. It follows:—"One great thing proposed, hath been the building of a bridge over Charles River, and that it would be a service to us. This, I look at to be next to building castles in the air. For if we could sink 40 or £50,000 in building such a bridge, the matter is uncertain, whether it would answer the end. For I can't learn of a fast bridge over such a river where there is such a stream in the whole world." Could Charlestown bridge, however forlorn its aspect, and the similar avenues to this peninsula, be gifted with tongues, what would they say to such writers? But, not to lose the clue of our course, the question respecting the bank, produced many spirited pros and cons. Among the merchants of this metropolis, who forcibly argued the claims of such an institution, was John Colman. He asserted, that it would not lessen the coin; for to his knowledge, it was shipped off as much before bills of credit as afterwards, in proportion to the trade and resources of the Province. He further stated, that the belief of New England in general was, that the country might count on greater depressions, unless there could be issues of notes from private companies as well as from the public treasury. Another argument in favor of this plan was, that it would sever the connection between money and might—already in the hands of the government and dangerous to the liberties of the people. On the other hand, his project was not tenderly dealt with by

<sup>1</sup> June 4, 1712. Rhode Island proposes to Massachusetts that a bridge be erected over Pawtucket River, at the cost of both Colonies.

March 12, 1713. John Clark, Esq.

and Company, petition for a bridge over Charles River. Neither of these projects was immediately accomplished.

1714. its opponents. They severely censured it, as a South Sea bubble, a pandora's box, an infringement of the regal prerogative, and covering a design for absolute power. These specimens teach us, how the mind of one age answers to the mind of another, when called to the same point of debate. Amid a conflict of this sort, the common voice cried vehemently and repeatedly for more paper money, from some source or another.

Feb. 1. <sup>1</sup> Thus confirmed in their wishes, a considerable number of gentlemen met at the Exchange Tavern of Boston several times, to have the stock of a proposed bank taken up, and prepare to lay their rules before the General Court for approbation.

<sup>2</sup> Hoping to check the prevalent practice of counterfeiting their bills of credit, the Legislature enact that whoever is guilty of such a crime more than once, shall suffer death.

<sup>3</sup> The amount of bills of credit made and received into the Treasury of Massachusetts from May, 1703 to May, 1714, was £194,950 13.

Aug. 20. <sup>4</sup> Perceiving that the project of a private bank was likely to succeed, unless resisted by Legislative interference, the Province Council hold a convention, and vote the following order:—"Upon reading a memorial, presented by the Queen's Attorney General, setting forth, that upon good information, a certain number of gentlemen and merchants are projecting a bank of credit, as they call it, and design speedily to make and emit a quantity of bills to a great value, which is a matter of importance and will necessarily be of general influence, Ordered, that the projectors or undertakers of any such bank do not proceed to print the said scheme, or put the same on public record, make or emit any of their notes or bills, until they have laid their proposals before the General Assembly of her Majesty's Province, who are always ready to countenance and encourage any proposals, that may be a benefit and advantage for the public, or for the promotion and encour-

<sup>1</sup> Boston News Letter, No. 512.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Massachusetts Archives—Pecuniary, vol. ii.

<sup>4</sup> Boston News Letter, August 20, 1714.



aging of trade amongst her Majesty's good subjects of this 1714.  
Province."

Thus cautioned, the patrons of the intended bank, did not cease to make active exertions for its promotion. They issue the ensuing advertisement:—<sup>1</sup> "Whereas the trade of this Province is very much embarrassed for want of a medium of exchange, and an expedient being proposed to ease this difficulty by circulating bills or notes founded on land security, considerable sums being already subscribed," there will be attendance at the Sun Tavern of Boston, weekly, to complete the subscriptions for entering into partnership. Aug.  
23.

In less than two months from this they meet to choose directors of their institution, which went by the name of Land Bank, subsequently applied to another, which gave rise to immense trouble. Oct.  
19.

While they were thus striving to advance, a majority of the government thought it best for themselves alone to hold the purse strings of the Province. The opinion of the Legislature is regarded as less objectionable than that of the bank party, by those who preferred hard money, therefore such an opinion receives the support of these and becomes embodied in a law. The introduction of this act follows:—<sup>2</sup> "Whereas the public bills of credit on this Province, which have so long and happily supported this his Majesty's government in the long and expensive war with the French and Indians in our neighborhood, for defraying the necessary charges thereof in the defence of his Majesty's subjects' interests in this as well as the neighboring Provinces and Colonies, (and the preventing the inconveniences that may arise to the Province by any private projection for providing any other medium of exchange,) and served as a medium of commerce in the business and trade of this Province, greatly facilitating payments for goods imported from Great Britain and other places, are now grown very scarce and few of them passing in proportion to the great demand of the same, whereby the affairs of the Government are very much hindered, the pay- Nov.  
4.

<sup>1</sup> Boston News Letter, Aug. 23, 1714. .

<sup>2</sup> Mass. Provincial Records.

1714. ment of the public debts and taxes retarded, and in great measure rendered impracticable, and the trade and business of this Province both at home and abroad is greatly obstructed to the great discouragement and distress of the Province." Therefore £50,000 in bills, of the same tenor with those already issued, are to be put in the hands of five Trustees, and let out at five per cent. on safe mortgages of real estate, one-fifth part of the principal with interest payable each year. <sup>1</sup> Though the loans were restricted as to time, yet some of them were continually made, so that they were out over thirty years. No person was to hire more than £500, nor less than £50, of this Province loan. The income of it is to help liquidate public charges.

Having in this manner made a bank of the Province, so that no sufficient call might exist for the one projected by individuals, as a more private concern, the Legislature proceed to give the finishing blow to this association:—  
 Nov. 5. <sup>2</sup> "A scheme for establishing a fund or bank of credit upon a land security, which may give the bills issued therefrom a general currency—sent up from the Representatives with an order passed thereon, that is to say—Ordered that no private company or partnership proceed to the making or emitting of any bills of credit, as a medium of exchange in trade, without the allowance and approbation of the Court." Such an order passed the Council and was approved by the Governor.

1715. <sup>3</sup> Governor Dudley in his speech, reverting to his proposal, the foregoing session, that the bills, still out, might be recalled, says, they "passed with honour; if not redeemed, they will depreciate."

June 21. <sup>4</sup> The mercantile part of community were still dissatisfied with what they deemed the insufficiency of the loan, made by the government. Simon Stoddard and one hundred and eighty others of Boston and elsewhere, petitioned that they would provide a larger medium of exchange in trade. Their request was laid over to the next session. Though the supporters of the Land Bank were

<sup>1</sup> Letters from Boston on Currency.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Journal of the House.

<sup>4</sup> Mass. Provincial Records.

defeated, they were not conquered. Their fall only made 1715.  
 them more careful and determined to stand. ~

<sup>1</sup>The enactment relative to debtors not being forced to Dec.  
 pay their obligations, contracted from 1705 to 1715, in 12.  
 hard money, except they had specially agreed to do so, is  
 prolonged to October 30, 1722. While this betrayed a  
 very unsound state of currency, it prolonged and increased  
 temptations to take advantage of creditors by paying them  
 in bills continually reduced in value, and also occasions of  
 animosities and litigations. It was only binding up the  
 wound of community with unsuitable, injurious and peril-  
 ous preparations of well intended, but ill-directed art. It  
 increased the very disease which it was given to cure.

As Governor Dudley<sup>2</sup> had honestly and strenuously  
 opposed the design of friends to the Land Bank, though  
 formerly the promoter of a similar one, they did much for  
 his removal.

<sup>3</sup>In answer to a letter of the General Court to Jeremiah 1716.  
 Dummer in London, he writes in the subsequent terms:— Feb.  
 "I have received the three instructions agreed on the last 5.  
 October session, which I shall carefully observe. Only  
 that, which commands me to oppose any attempts, that  
 may be made here to incorporate a private bank in New  
 England, is that there will probably be no occasion to  
 make use of. For the gentlemen, who have been desired  
 from Boston to solicit this business, have not yet moved  
 in it, and I am informed by one of them, that they do not  
 design to stir in it at all. Some other people having heard  
 of it, and of the exigency which the country was reduced  
 to for want of money or some other medium of trade, have  
 started a project for the coining (of) base money here, that  
 is to say, one third copper and the rest silver, to pass in  
 New England, which they pretend will answer all the  
 necessities of trade, tho' in truth it will answer nothing  
 but their own private gain, which they propose by it.  
 Upon the first notice I had of this project, I waited on  
 several of the ministry in order to speak to them of the

<sup>1</sup> Acts of Massachusetts.

<sup>3</sup> Massachusetts Archives — Let-

<sup>2</sup> Governor Dudley takes leave of ters, vol. ii.  
 the General Court, Oct. 18, 1715.

1716. destructive consequences of it, if it should take effect; but their Lordships would not hear me upon it, for they were so clear in that, they assured me at once that no such thing should be done."

Nov. 7. After Mr. Shute's <sup>1</sup>arrival at Boston, as chief magistrate, he recommended in his first speech, that endeavors should be made to revive the low state of trade. This was taken as an intimation, by the House, that another loan from the Treasury would receive his sanction. They seem to have viewed such a mode of supplying needed funds, as a sort of Pactolus, which could bring treasure to their feet without consequent privation and misery.

Dec. 4. <sup>2</sup>Hence it was forthwith ordered that there be an additional loan of £100,000. The reasons assigned for this enactment, was the heavy debt incurred lately in the French war, that all the hard money which formerly aided the trade was sent to pay for debts contracted in England, and the scarcity of Province bills. This amount was committed to the care of county Trustees; was proportioned to each county according to its tax; secured by mortgaged estates of double the value of the sum borrowed, each loan not exceeding £500 nor under £25, for ten years at five per cent., paid annually. The profits to help pay for expenses of government, and the bills to be returned at the end of this period and burnt. Frequent litigations subsequently arose in the settlement of the mortgages for this money. <sup>3</sup>A speedy result of this emission was to depreciate the paper currency by raising silver to 12<sup>s</sup> the oz.

Governor Shute perceives that the financial concerns of the Province are going from bad to worse. He regrets to the Legislature, that they had been no more punctual and active in retrieving the credit of their notes. He proceeds, 1718. <sup>4</sup>"The ill consequences of our not giving due attention to these weighty affairs are every day increasing, and they will inevitably end in our utter destruction, if not timely removed. If you would reflect a little upon the miserable

<sup>1</sup> Governor Shute arrives, October 14, 1716.

<sup>2</sup> General Court Records.

<sup>3</sup> Discourse on Colonial Currency.

<sup>4</sup> Massachusetts Provincial Records.

state of our neighbours at Carolina,<sup>1</sup> it would awake you." As the General Court conclude that it is out of their power to comply with this energetic appeal, they make no sufficient effort to resist the torrent of calamity. 1718.

A writer upon the times, expresses himself in the subsequent strain:—<sup>2</sup> "I suppose this Province doth not raise nigh so much provisions as are needful to feed ourselves and supply our shipping. We buy much from other places; while so, would it not be an hurt to send any provisions to a foreign market? But out of the products of our labour, we may spare great quantities of fish, oyl, whalebone, etc., and for these, what returns should we chiefly desire? Why—things that are most serviceable and necessary for us, and not for needless commodities." He goes on to state, that too much rum is imported, which is a great injury to the Province. He remarks further—"All the silver money which formerly made payments in trade to be easy, is now sent into Great Britain to make returns for part of what is owing there. We have been so deficient in farming and managing our own manufacture, lived so much above our abilities, spent so much of our imported commodities, that our money is gone, there is scarce a penny of it passing for a twelvemonth." He informs us, that, notwithstanding the promptness with which government had resisted the late projected bank of individuals, its notes or bills are still in circulation. With reference to a new arrangement in the means of recalling the Province bills, he remarks that they are to be redeemed by *any stock* in the Treasury, so that they who keep bills expecting to obtain silver, may get country produce. 1719. March 6.

<sup>3</sup> Another observer of the times, who was more in favor of paper currency than his cotemporary opponent, gives the ensuing statements:—The evils of litigation abound. People of estates cannot raise money, unless they dispose

<sup>1</sup> South Carolina, in order to pay charges of an expedition against the Tuscaroras, issued in 1712, £48,000 in bills, as a loan, payable at the rate of £4,000, annually. This emission fell a third the first year, and a half the second, and so continued to depreciate. So rapid and fearful a fall

of the notes was properly referred to by Gov. Shute, as a warning for Massachusetts.

<sup>2</sup> Melancholy circumstances of the Province.

<sup>3</sup> Distressed state of the town of Boston considered.

1719. of them at half their value. Individuals, depending on their labor, are forced to take for their toil, from one half to two thirds in goods, while their creditors imperiously demand cash of them. The private bank does not receive encouragement in its operations from the Legislative authorities. £50,000 ought to be laid out for making a bridge over Charles River, so that workmen might be employed and currency enlarged, as well as the public accommodated; and ruin will come unless more bills of credit are emitted. It is hoped that country towns will send Representatives to secure such an emission. This writer says—"It is a dark day upon us, I pray God to guide and lead his Excellency and his Council and others concerned in the government, into some measures for the relief of the people."

Sept. 9. As an instance, with what pertinacity an evil purpose will compass sea and land to be gratified, the succeeding fact is adduced:—<sup>1</sup>Jeremiah Dummer, agent in London, had been instructed by Massachusetts to look after one Bryan, an Engraver on Tower Hill, who had assisted Woddin to counterfeit the Province bills. Mr. Dummer employed an ingenious man to wait on Bryan, who told him, that Woddin had carried the copper plate to Boston.

For lightening the burden, which pressed upon community, a meeting of gentlemen as particularized in the subsequent document, takes place:—<sup>2</sup>In obedience to the orders of the Governors and Councils of the several Provinces and Colonies to which the subscribers respectively belong, appointing us a committee or Commissioners to consult, what may be done for the public benefit with relation to the bills of Credit. We being met at the Town house in Boston on the day abovementioned, and having conferred the subject matter before said, did unanimously agree on the following heads—that is to say; First, it will be greatly for the service and benefit of the publick, not to emit any more bills on Loan. Secondly, That no more bills should be emitted, than what are for the necessary support of the Government annually. Thirdly, that it will

1720.  
April  
22.

<sup>1</sup> Mass. Archives—Letters, vol. ii.

<sup>2</sup> Colonial Records.

be for the publick benefit and the better repute of the Bills of Credit that the several governments do firmly and closely adhere to the calling in the same according to the several times and periods prefixed therefor. The foregoing heads or proposals are humbly submitted to the consideration of the General Court of the Province of the Massachusetts Bay, the Colonies of Connecticut, and Rhode Island, at their next Court of Election, by

“ADDINGTON DAVENPORT, JONA. BELCHER,  
THOS. HUTCHINSON, JOHN READ,  
THOS. FITCH, WM. WANTON.”

The Council approved and recommended such advice, but the House received it coldly and merely had it read. This was a plain expression of the different views entertained by these two Bodies on the subject of currency.

So deeply interested were the various towns in these subjects, that they gave particular instructions to their Representatives. <sup>1</sup> Salem desire their delegates to vote against the project of having Province bills issued to build a bridge over Charles River, because, if allowed, it would increase the public debt, and to use all their influence to recall the issues, already in circulation, at their appointed periods.

May  
9.

<sup>2</sup> Among the classes of society who endured the most, from existing state of things, were widows and orphans. These had lent their all, and depended for subsistence on its income, which was paid to them in paper at fifty per cent. discount. Then, as in all such periods of social convulsions, the influences of ill regulated currency were evidently pernicious to public morals. The barque enters the gale with a gallant bearing; but how altered, when she emerges! Is not this the symbol of many a character passing through the calms and storms of life? However the people were perilously and painfully situated, yet the most of them omitted to trace much of their wo to an undue dependence on the emissions of notes from the Treasury. Like an individual, under the delirium of

<sup>1</sup> Salem, Town Records.

<sup>2</sup> Hutchinson.

1720. excessive stimulus, crying for the very liquid which has produced his disease and his pangs, they were generally urgent for an increase of Provincial bills.

The tidings of such a disposition, as prevailed here, had been carried to the ear of Parliament. <sup>1</sup> As one step, to turn back its onward course, this body lay an interdict upon all banking associations in their dominions, who have no legal charter, so that from June 24, 1720, they shall cease. Such an act has particular application to the Private Bank of Boston, which had circulated their notes, though forbidden by the Legislature.

April  
12.

<sup>2</sup> The Governor laid a pamphlet before the Council—entitled, “Distressed State of the Town of Boston—in a Letter from a Gentleman to his Friend in the Country.” They were of opinion, that it had many passages reflecting on the acts and laws of the Province and other proceedings of the Assembly, and had a tendency to disturb the administration of the Government as well as the public peace. They voted that the Justices of the Peace at their General Sessions inquire after the author and publisher of the said pamphlet, and proceed therein according to the usual mode.

14  
to  
18.

“A Countryman’s Answer to the Letter,” (in the above pamphlet,) has the succeeding passage:—“As to silver and gold, we never had much of it in the country; but we can very well remember, that before we had paper money, there was a sufficiency of it current in the country, and as the bills of credit came in and multiplied, the silver ceased and was gone; and of all men, you in Boston, especially merchants, should be silent as to that matter, for you have shipped it off and yet now complain of the want of it.” You bring up the projected Private Bank—buried so many years—though it is opposed by the General Court, and a large majority of Boston.

July  
13.

<sup>3</sup> Backed by the highest tribunal of the kingdom, Governor Shute, in his speech, repeats his advice to the General Court, that they put forth all their power to raise the falling credit of the Province notes and relieve the deep

<sup>1</sup> Statute, Geo. 6.    <sup>2</sup> Boston News Letter.    <sup>3</sup> Speech of Gov. Shute.



distress of the people. On this topic, he expresses himself 1720.  
 as follows:—"I recommend the supporting the value of  
 the public bills of credit. This is what I have almost at  
 every session mentioned, as a matter not only of justice  
 but of interest. And I am more especially obliged to do  
 it now, because the neighbouring Governments looking  
 upon it as a matter of the last consequence to us all, have  
 lately appointed Commissioners to inquire into that affair  
 and lay before their respective General Assemblies what  
 they have thought proper for the public good with respect  
 to the Public Bills of credit. The unanimous resolution of  
 the Commissioners when they met at Boston, I shall order  
 to be laid before you. The confusions that are in the  
 Colony of South Carolina by reason of the paper credit,  
 may and I hope will warn us of going any further in any  
 medium of that kind. And I am glad to find the gener-  
 ality of our thinking people begin to be convinced that it  
 will be for the interest of the country, and even of the  
 trading part, to call in the Bills, as soon as may be con-  
 venient. I believe it will be of necessity, when the Bills  
 become very scarce, for the Government to think of some  
 reasonable method for the ease of the people in paying in  
 the publick debts, and at the same time to take great care  
 not to postpone them, as we have too often done, to the  
 detriment of the Government and lessening the value of the  
 Bills of Credit. I am very well pleased to observe by all  
 that have the state of the country and of our Trade at  
 heart, that good husbandry and industry are unanimously  
 agreed on, as among the first and best expedients to help  
 us under our great difficulties."

<sup>1</sup>To meet the exigencies of the day, the General Court July  
 modify the conditions of an issue of £5,000 in paper 20.  
 currency, so that they present two features different from  
 what they had for a considerable period. One was drop-  
 ping the five per cent. advance, which had been continued  
 for twenty-eight years, as means of preserving the Notes  
 of the Treasury at par, because it had lost its intended  
 effect. Another, was the restoring of the former custom

<sup>1</sup> Mass. Province Records.

1720. of having country produce substituted as a medium of exchange, and answer the purpose of money. It was introduced again by necessities which overcame the objections to its re-adoption. It was, however, found so inconvenient under the new associations and habits of business, as to be dispensed with, for a considerable time, in three years. Its re-appearance at this date, is thus appointed:—  
 “Whereas through the scarcity of bills of credit, it grows difficult for persons to convert the produce of their lands and other effects into bills and pay their rates in them, it is ordered that the inhabitants of this Province shall have liberty (if they see cause) to pay the several sums, which shall be on them respectively assessed, in the several species hereafter mentioned, at such rates and prices as the General Assembly shall set them; viz.—in good barrel beef and pork, or in wheat, peas, barley, rye, Indian corn, oats, flax, hemp, bees’ wax, butter in firkins, cheese, hides, tanned leather, dry fish, mackerel in barrels, oil, whale bone, bayberry wax or tallow. Which species shall be received by the Treasurer of the several constables and collectors, to be by him disposed of to the best advantage for the calling in of the said bills into the Treasury. And if any loss by the sale of the aforesaid species, or by any other unforeseen accident shall arise, then such deficiencies shall be made good by a tax of the year next following, so as shall be fully and effectually to call in the whole sum of £5,000 of bills emitted as aforesaid.” Additional to these articles were tar and turpentine, in the next year but one.

Sept. 29. Perceiving that the Chief Magistrate of Massachusetts was hard pressed to sanction larger issues of paper currency, than they deemed beneficial, the government in England <sup>1</sup>give instructions to him, as well as to all American Governors, that he allow only enough of them to meet the charges of Provincial administration.

1721. Not harmonizing with all the opinions advanced in the  
 March 20. Chief Magistrate’s late speech, the House sent him a reply:—“Your Excellency was pleased to acquaint us

<sup>1</sup> Massachusetts Provincial Records.

that you lately assembled some of the principal gentlemen and merchants of Boston, with a view to public good, that they might propose or receive schemes for the relief of this people under their grievance, for want of a good *medium* of trade. If those gentlemen when assembled, did agree upon any method and had laid the same before the House, it had been very readily received and due consideration had thereon. But none such as yet hath been shewn forth. Last session, a Bill for emitting £100,000, to help the inhabitants to pay their public debts, passed the House, but stopt in the Council. We feel it our duty to do all we can this session to promote such an object. We agree with your Excellency, that if a new emission should depreciate the bills out, it would be pernicious. To prevent this, a bill was passed, the present and last sessions, to hinder buying and selling, bartering or exchanging silver money or bullion at higher rates and prices than heretofore stated by act of Parliament. Our judgment is, that had such an act been made by Massachusetts when they first issued paper bills, they had to this day been equal in value and credit to silver money. We further think, that passing it now, would prevent depreciation of bills and bring them up to what they once were." They speak of a pamphlet against their proceedings of last session, called News from Robinson Crusoe's Island. 1721.

To make the mode of paying the rates more convenient for the body of the people, a majority of the Legislature vote for another loan of £50,000, instead of the £100,000, for which they had strongly contended, but to which the Chief Magistrate could not give his consent. The Governor, contrary to his own wish, and doubtful whether it was consistent with his orders from Parliament, consents to this reduced emission for the sake of complying with the general desire. It was to be distributed among the towns, according to their amount of taxes, who were to elect Trustees for letting it out. As a specimen of the manner in which such corporations apply the money, we instance Salem. <sup>1</sup> This place chose three Trustees, who let no

March  
31.

Oct.  
12.

<sup>1</sup> Salem, Town Records.

1721. more than £50, nor less than £10, to any individual, at six per cent. on ample security. These officers had one sixth of the interest, and the rest went towards disbursing town charges. The whole loan was to be redeemed by a fund of taxes on polls and estates, both real and personal, at the ensuing periods. One tenth part of it was to be redeemed May 31, 1726, and so on for each year, the last being May 31, 1730, and the notes so collected are to be consumed.

<sup>1</sup> From some queries of casuistry by Rev. Mr. Stoddard of Northampton, the ensuing extract is made:—"Is not the depreciating the bills of credit matter of provocation? It must needs be; for great wrong is done to many persons, who have received them according to their denomination, and have been forced to put them off, as if they were of less value. Some men are able to help themselves by getting greater wages for their work, and advancing the price of what they bring to the market; but others have been great sufferers by this practice, and if ever the bills are called in, such as are in debt, either to public or particular persons, will be great losers. It may be, some of them will be undone thereby. The temptation to the merchants was to get the money into their own hands, that thereby they might make returns to England. They would give 30<sup>s</sup> in bills for 20<sup>s</sup> in silver. And they may afford to do it, that have sold and do sell their goods at excessive rates. They are under no necessity to do thus, for they have the command of the market, and might buy the produce of the country at such prices, that they might make as profitable returns as they now do."

1722. <sup>2</sup> While the paper money was multiplied, small coin as well as large, was exceedingly scarce. For this reason, an emission of £500 worth of 1<sup>d</sup>, 2<sup>d</sup>, and 3<sup>d</sup> bills is ordered. The form of the first of these bills was round, of the second, square, and of the third, sex angular.

1723. Wearied with his endeavors to stem the popular current for the increase of Province loans, as also with opposition

<sup>1</sup> An answer to some Tales of Conscience, about 1722.

<sup>2</sup> Massachusetts Provincial Records.

on account of his salary and other subjects, Governor 1723.  
Shute embarks for England. On his departure, Lt. Gov-  
ernor Dummer comes into like perplexity. A majority of  
the Legislature, over whom he presided, desirous to regu-  
late the disordered currency, mend a cog here and there,  
but entirely overlook the main spring.

<sup>1</sup>As South Carolina had been pointed to as a beacon for  
warning Massachusetts from recklessly indulging a passion  
for paper money,—so Massachusetts is now spoken of to  
the people of Pennsylvania for the same preventive.

<sup>2</sup>The products of the land and sea, which had been July  
renewedly current at the Treasury for taxes, now cease 2.  
to be taken there. This suspension is again to be tempo-  
rarily interrupted in a few years, by the scarcity of other  
medium of exchange.

There was great debate in the Assembly about the 1724.  
emission of £30,000. The Council wished to have it Dec.  
redeemed in three years, but the House insisted on a  
longer credit of four years. The latter body prevail.

Judge Sewall, as a member of the Board, remarks on  
this occasion ;—<sup>3</sup>“The diminution of the value of the  
bills of public credit, is the cause of much oppression in  
the Province. And I dare not have a hand in adding to  
the heavy weight of this oppression, which is already be-  
come intolerable.”

<sup>4</sup>Among the professional classes of society, who experi- 1725.  
ence much loss and suffering from the fall of the paper May  
currency, are clergymen. They having their salaries paid 26.  
in it at par, are virtually wronged out of much which  
justly belongs to them, and is essential to the comfortable  
support of themselves and families. Aware of their equi-  
table claim for indemnification, an act is passed that they  
shall be obliged to take bills of credit only at their real  
value.

<sup>5</sup>That we may judge of the sums issued in Treasury  
notes or bills, the succeeding minutes of James Taylor,  
the Treasurer, are adduced.

<sup>1</sup> Proud's Hist. of Pennsylvania.

<sup>2</sup> Mass. Provincial Records.  
Judge Sewall's Diary.

<sup>4</sup> Annals of Salem.

<sup>5</sup> Massachusetts Archives.

|       |                                 |          |       |
|-------|---------------------------------|----------|-------|
| 1725. | Received into the Treasury      |          |       |
|       | from May 1703 to May 1714       |          |       |
|       | 1715                            | £194,950 | 13    |
|       | 1716                            | 41,555   | 8     |
|       | 1717                            | 5,000    |       |
|       | 1719                            | 15,000   |       |
|       | 1720                            | 2,000    |       |
|       | 1722                            | 58,000   |       |
|       | 1723                            | 60,500   |       |
|       | 1724                            | 20,000   |       |
|       |                                 | £397,006 | 1     |
|       | Burnt,                          | 194,917  | 2 10  |
|       | Bills out,                      | £202,088 | 18 2  |
|       |                                 |          |       |
|       | Burnt by Mr. Taylor, Treasurer, |          |       |
|       | from May 1707 to May 1714       |          |       |
|       | 1715                            | £68,968  | 2 6   |
|       | 1716                            | 41,429   | 11 11 |
|       | 1717                            | 17,829   | 4     |
|       | 1718                            | 11,703   | 12 5  |
|       | 1719                            | 15,339   | 6 6   |
|       | 1720                            | 19,522   | 15 11 |
|       | 1721                            | 3,960    | 15 11 |
|       | 1722                            | 268      | 8 1   |
|       | 1723                            | 3,572    | 17    |
|       | 1724                            | 6,038    | 0 7   |
|       | 1725                            | 6,284    | 8     |
|       |                                 | £194,917 | 2 10  |

Oct. 29. <sup>1</sup> The ensuing notice is sent to Lieut. Governor Dummer, from the Duke of Newcastle in London. William Wood has been granted Letters Patent by his Majesty for coining "half-pence, pence, and two-pences, of the value of money of Great Britain, for the use of his Majesty's dominions in America, which said coin is to receive such additional value as shall be reasonable and agreeable to the customary allowance of exchange in the several parts

<sup>1</sup> Massachusetts Archives—Letters, vol. ii.

of those his Majesty's dominions." He desires Mr. Wood may be assisted in the execution of his office. 1727.

<sup>1</sup> The Board of Trade in London agree upon orders for his Honor, William Dummer, to require the General Court to withdraw from circulation the £100,000 loan of 1716, and have it destroyed by the next May, and that he sign no act for bills of credit without his Majesty's express leave for that purpose. Feb. 8.

<sup>2</sup> A letter is forwarded by Secretary Willard, to the Governor of Rhode Island, desiring, that, as his Colony had issued a Proclamation for calling in their bills of credit, they would appoint an agent in Boston, to exchange an abundance of such paper and other notes of theirs, worn and defaced, which had fallen upon the hands of Massachusetts people. May 22.

<sup>3</sup> At the next Election Mr. Dummer lays the concerns of another loan before the Court, as having an important bearing upon their views and exertions. June 1.

<sup>4</sup> Urged on by the necessities and solicitations of their constituents, the great portion of the House apply to him for a further loan of £50,000. Aware that his order from the crown forbid this in the naked form of a loan, they propose that it be issued towards redeeming the £100,000. He replies that his instructions are imperative to decline compliance with all such propositions until the Royal pleasure can be known. He remarks that if the proposition was couched in terms to denote an emission for recalling the £100,000, he could not object. He adds his entire willingness to allow the annual emission of Treasury notes, to settle the costs of Government, as had been customary. They and the great body of the people are exceedingly loth that he should be guided by dictates of the Crown in this respect, because they considered it as an important article of their internal policy, which no foreign power could touch without a violation of their Charter liberties. They were aware, that if once allowing July 5.

<sup>1</sup> Lt. Gov. William Dummer's Speech.

<sup>3</sup> Lt. Gov. Dummer's Speech.

<sup>2</sup> Massachusetts Archives — Letters, vol. ii.

<sup>4</sup> Massachusetts Provincial Records.

1727. it, as consistent with their Constitutional rights, it would  
 be difficult for them to retract, and would prepare the way  
 for unlimited taxation. Hence, they had uniformly met  
 it on the threshold, and refused to give it a welcome.

Aug. 25. <sup>1</sup> While a larger part of the Representatives were thus  
 vigilant, lest the Province should be brought under deeper  
 subjection to the Throne, they came into collision with the  
 Council, as to the duty and expediency of redeeming bills  
 for £30,000 issued in 1723 and 1724. The latter body  
 urge that "the faith and honour of this government is  
 strongly engaged" for the recalling of such a sum. The  
 former allow, that the time, when it should be taken out  
 of circulation, according to the pledge of the Legislature,  
 had arrived; but that the distressed condition of the  
 country was a sufficient apology for a delay of fulfilling  
 the contract, that greater evil than good would accrue to  
 the public, if the bills out should be drawn in. Several  
 communications passed between the two branches of  
 legislation on this subject, each adhering to their opinions,  
 and holding one another to be in a dangerous error. The  
 same scene was repeatedly exhibited. But an impartial  
 view of the subject would suggest, that the Council had  
 the better side of the question, and that conformity with  
 principle rather than policy was better then, and always  
 is, than the contrary. One result of the policy practised  
 by the House, honestly, we believe, though incorrectly,  
 was still more to weaken confidence in the bills of credit.

*Prices of articles paid for Provincial Taxes.*

Oct. 13. To show the worth of money, as well as to give an  
 instance of the renewed custom of accounting the produc-  
 tions of the Province as currency, so far as to receive  
 them for rates at the Treasury, the subsequent valuation  
 of them is here given.

Good merchantable beef, £3 a barrel; do. pork, £5 10/.  
 Winter wheat, 8/, Summer wheat, 7/, barley, 6/, rye,  
 6/, Indian corn, 4/, oats, 2/6, a bushel. Flax, 1/4,

<sup>1</sup> Massachusetts Provincial Records.



hemp, 9<sup>d</sup>, bees' wax 2/6, a pound. Peas clear of bugs, 9/ 1727. a bushel. Sweet firkin butter, 12<sup>d</sup>, dry hides, 6<sup>d</sup>, tanned leather, 12<sup>d</sup>, a pound. Merchantable dry cod-fish, £1 10/ a quintal. Mackerel, £1 10/, oil, £2 10/, a barrel. Whale bone, six feet long and upward, 3/6, bayberry wax, 1/4, a pound. Turpentine full bound, 13/, merchantable bar iron, 48/, cast iron pots and kettles, 48/, a hundred. Well cured tobacco, 4<sup>d</sup>, good tried tallow, 8<sup>d</sup>, a pound.

<sup>1</sup> At this point it may be well to give a scale of the depreciation of paper currency, as contained in an act to regulate its value, which required that all debts contracted in bills of credit before and since 1710, should be estimated in them, as follows:—

Dec.  
1.

|               |        |                    |     |                   |
|---------------|--------|--------------------|-----|-------------------|
| Before and in | 1710 } | Bills were worth } | 8/  | { for an ounce of |
|               | 1711 } | at the rate of }   |     | { silver.         |
|               | 1712 } |                    |     |                   |
|               | 1713 } | . . . . .          | 8/6 |                   |
|               | 1714 } |                    |     |                   |
|               | 1715 } | . . . . .          | 9/  |                   |
|               | 1716 } |                    |     |                   |
|               | 1717 } | . . . . .          | 10/ |                   |
|               | 1718 } | . . . . .          | 11/ |                   |
|               | 1719 } |                    |     |                   |
|               | 1720 } | . . . . .          | 12/ |                   |
|               | 1721 } | . . . . .          | 13/ |                   |
|               | 1722 } | . . . . .          | 14/ |                   |
|               | 1723 } | . . . . .          | 15/ |                   |
|               | 1724 } |                    |     |                   |
|               | 1725 } | . . . . .          | 17/ |                   |
|               | 1726 } |                    |     |                   |
|               | 1727 } |                    |     |                   |

This was an estimation which was most favorable to the paper currency of the Province.

The Council, with his Honor, having repeatedly pressed the recall of the £100,000 loan, the date fixed for its redemption being expired more than a year, the House consent to the proposition, though reluctantly, because they perceived their constituents opposed to it, and because they expected, from the course of Parliament

1728.  
Jan.  
2.

<sup>1</sup> Act of Massachusetts.

1728. towards this country, that the paper currency would be increasingly curtailed. But as some off-set for their disappointment in this particular, an Act is passed for another loan of £60,000. The heading for this was more in accordance with their views and feelings, than with those of the other part of the Legislature. It runs thus:—  
 “Whereas the public bills of credit on this Province, which have for a great length of time happily served this Government, both in war and peace, and enabled the inhabitants thereof to pay their publick dues, are now become very scarce, by reason they are in a great measure already drawn in.” This money was issued to the towns proportionably to their taxes. They are empowered to let it out at 6 per cent., four of which went to the Province, one to the trustees, for their responsibility and service, and the other to help pay town charges. A tax on real and personal property was the fund for the redemption of the loan, payable annually in <sup>1</sup>sums of £12,000 each, from Dec. 31, 1734.

March 18. Dr. William Douglas states the ensuing facts to Caldwell Colden of New York. ‘Our paper currency, by too great emissions, has gradually lost its credit, so as at present 16<sup>s</sup> is but sufficient to purchase an ounce of silver. The bills of Massachusetts in circulation amount to £314,000, besides those of Connecticut, Rhode Island, and New Hampshire.’

Aug. 20. <sup>2</sup> Mr. Burnet having assumed the government here, and being urged by the Representatives to favor their views for plentiful issues of paper money, sends one of his instructions to them for perusal, and also to the Council. It runs thus; “Whereas Acts have been passed in some of our Plantations in America for striking bills of credit, and issuing the same in lieu of money, in order to discharge public debts and other purposes, from whence several inconveniences have arisen, it is, therefore, our will and pleasure, that you do not give your assent to, or pass any

<sup>1</sup> Doctor William Douglass, in a letter to Caldwell Colden, Esq. of New York, represents these payments as commencing in 1737, and

terminating 1742, which disagrees with the Act.

<sup>2</sup> Massachusetts Provincial Records.

Act in our aforesaid Province of the Massachusetts Bay, 1728. under your government, whereby bills of credit may be struck or issued in lieu of money, without a clause be inserted in such Act, declaring that the same shall not take effect until the said Act shall have been approved or confirmed by us." This was a lesson for the popular branch of Legislation to read, to which, though they saw it with their eyes, and heard it with their ears, they gave no heartfelt respond of approbation. Like other expressions of Regal authority, which had been repeatedly laid before them, it seems to have made little impression on their memory, or which is the truer of the two, they would gladly have forgotten it, if thereby it might have been no longer imposed on them, as what they deemed an advance of oppression.

For the short period Governor Burnet lived here, being some over a year, he perceived, that unless he would surrender the prerogative of the Crown to forbid the loaning system of the Assembly, as well as to fix the salary of the Chief Magistrate, he must be in an incessant turmoil.

<sup>1</sup> With such relations to each other, they so disagree, that 1729. he said to the House, for substance, Gentlemen, I have April 18. ordered you no pay, because you have voted me no salary. Thus with his hand on the points of opposition, he would have had much to endure had he survived, and longer retained his office.

<sup>2</sup> So downward was the tendency of Massachusetts notes, that they again become the subject of remark in another Province. James Logan, writing from Pennsylvania to the Proprietaries, and referring to their bills, says, "I dare not speak one word against it. The popular phrenzy will never stop till their credit will be as bad as they are in New England, where an ounce of silver is worth 20<sup>s</sup> of their paper."

<sup>3</sup> One occasion of such a difference between bills and cash, was because the Factors here from England had

<sup>1</sup> Massachusetts Provincial Records.

<sup>2</sup> Annals of Philadelphia.

<sup>3</sup> Discourse on Colonial Currency.

1729. orders from their employers, to remit, for the goods im-  
 ~~~~~ ported, nothing short of silver or bills of exchange.

While the pecuniary state of the Province was such, Mr. Burnet is succeeded by Jonathan Belcher. Of this gentleman the Court of St. James had strong hopes, that he would be able to subdue what they accounted and denominated the refractory spirit of Massachusetts, and make a speedy close of the paper currency.

Accordingly he comes hither with an injunction to
 1730. have preparatory measures adopted for effecting this object
 Aug. in the course of ten years.

¹ Governor Belcher says in his speech to the General
 Dec. Court, "I must not dismiss this article, without recom-
 16. mending to your thought and care, the state of your bills of credit, the course and manner of their being such at present, as makes them a common delusion to mankind."

The law for compelling creditors to receive paper, specialties excepted, however fallen, at par value, and openly denounced in England, as flagrantly unjust to her merchants who traded with this Province, comes before him for reapproval. At first, he gives it his prompt veto. But
 1731. tired down by Yankee perseverance, he is induced to
 April have it prolonged, at the expense of being severely cen-
 2. sured in London.

Still, however pliant in this point, no guard of the golden apples of Hesperides could have been more vigilant and unyielding than he was, to keep the injunctions of his Majesty.

These, being the 16th and 18th, restricted all issues of Treasury notes to the bare liquidation of Government charges, and required that not more than £30,000 of them should be in circulation at the same time, and that they be redeemed at the date agreed on. A consequence is, that the House retaliate, in not providing a sufficient sum for the public chest, in the manner which he could approve.

Dec. The Representatives of Massachusetts having peti-
 23. tioned the King to repeal the 16th instruction to Governor

¹ Journal of House of Representatives.

Belcher, as very detrimental to the Province, his Majesty 1732. confirms a report of his Council to have the instruction still continued.

¹ As officers of courts of justice had recently refused to take their fees, except in silver, a committee of the Representatives report that so scarce is specie, and so necessary is it to preserve the credit of bills, such a refusal must by no means be allowed. Jan. 20.

² Gov. Belcher writes to the Lords of Trade, "If your Lordships approve of the Bill I now send you, for emitting bills of credit on a foundation of gold and silver, and that I may have his Majesty's leave for doing it in Massachusetts, I pray I may also have the same liberty of doing it in New Hampshire, where they are in great distress for something to pass in lieu of money, and without speedy help it will be almost impossible for that little Province to support any trade." 1733. Jan. 13.

While the Treasury is unsupplied, James Oglethorp, a member of Parliament, a particular friend to the interests of New England, and the founder of Georgia, sends word that he is on his way, from that Province, for Boston, to take passage for London. The Legislature raise a committee to give him an honorable reception and entertainment. In the meanwhile, the Governor forwards a letter to them, saying, that as they had voted no funds for any extra expense, he should accommodate the worthy gentleman at his own house, and own charge. This was a requital more deeply felt, than it could be openly faulted. June 21.

The House having petitioned the King several times, that the restrictions laid on their Governors, as to the raising of revenue for Province expenses and necessities, might be rescinded, they had lately received a sharp rebuke from his Council for so doing. These account for such restrictions in the succeeding terms. "A pernicious practice had prevailed in several Plantations of America, for issuing bills of credit instead of money, to pay public debts. Hence great inconveniences arose in depreciation Aug. 15.

¹ Journal of House of Representatives.

² Massachusetts Archives — Letters, vol. ii.

1733. of bills." Indeed, the conduct of our Legislature, as to pecuniary matters, was viewed at the court of England, as a sort of Pandora's box to our country. It was made the occasion there of changes, which were deprecated by the most of our fathers. It hastened on the explanatory Charter of 1725, which confirmed the Governor's right to negative the Speaker of the House, and curtailed this body in other exercises of power. It subsequently helped to throw the auditing and settling of public accounts into the hands of the Governor and Council, and otherwise cramped the energies of the popular branch of government. Still, while its unhappy results, in these and other respects, political and social, public and private, poured over our Commonwealth, hope, in the minds of the Provincials, remained at its bottom.

Oct. ¹As by the Royal commands to the chief magistrate,
11. Treasury notes had become curtailed, a number of merchants and others of Boston, in order to supply the deficiency of such a medium of trade, had recently engaged in a project of issuing paper to the value of £110,000. Rhode Island had also ordered a large emission of their bills, which, as usual, were expected to have their chief circulation in Massachusetts. With these facts laid before them, and concluding that by such causes their own bills would proceed from bad to worse, the General Court appoint a committee to examine them, and make report.

Oct. ²Notified of such action, Governor Wanton replies, that
26. the Rhode Island Assembly had enacted, in July last, to issue £100,000 loan, at 5 per cent., on land security. He adds, "I do assure the General Assembly of the Province, we had an especial regard for the welfare of the public in said emission. And hope" that they "will take care that trade may not be injured by a private emission now coming out without their sanction, as I am informed."

Nov. ³After a hard contest between the House and his Ex-
2. cellency, they so far harmonize, that he consents to an

¹ Massachusetts Provincial Records.

² Gov. William Wanton's letter,

in answer to Secretary Willard's express.

³ Massachusetts Provincial Records.

emission of £76,500, in bills, for Provincial charges. On 1733. this occasion he remarks, "I am glad you have, after a struggle of near three years, now agreed in a bill to make provision for the payment of the public debts."

¹ A letter of the General Court to Francis Wilks, their agent in London, requesting him to petition for the repeal of the tax on fishermen here, as well as on those in the merchant service, of 6^d a month for Greenwich Hospital, remarks, that their fish brings "a very large sum in silver and gold, from Spain, Portugal, and the Streights," which goes to Great Britain for the payment of goods. Nov. 3.

² The committee raised about the paper money in circulation, make their report, which is accepted by both Houses. 6. They state that the merchants' notes emitted by Boston gentlemen, should be backed with greater security; and that his Excellency be desired to send out a proclamation, warning the people to be on their guard against taking the late bills of Rhode Island. The bills of the private bank, just mentioned, amounted to £110,000, and were redeemable in ten years, with silver at 19^s an ounce, then the common rate of the Province paper. Though a great and imposing effort was made to keep the Rhode Island bills out of our market, yet they soon flowed in, and became current.

³ The Governor thinks it not expedient to issue a proclamation against both of these sorts of currency, though he is decidedly opposed to them. He gives his opinion, that the merchants' bank ought not to do business without permission from the Assembly; and that such permission should not be allowed them, because falling within the limits of his prohibitory order from the Crown, to have only £30,000 in bills circulating at the same period. 7.

⁴ Still the merchants' notes were circulated, and accounted better by 33 per cent. than Province bills.

These concurrences made a flush of paper money. But

¹ Massachusetts Archives — Letters, vol. ii.

² Massachusetts Provincial Records.

³ Massachusetts Provincial Records.

⁴ Letter to a merchant in London.

1733. the flood was far from being like that of the Nile, which enriches and blesses wherever it comes.

While such a change for the worse is attracting the anxious gaze and attention of friends to the Province, Mr. Belcher, in his speech, utters the succeeding opinions.

1734.
May 31. ¹“I must observe to you to what a low ebb our bills of credit are reduced, which carry in the face of them these words—‘in value equal to money.’ And yet 16^s in these bills will not, at this day, purchase 5^s lawful money. It will then become the wisdom of the Legislature to search into this matter, and to apply a speedy remedy; for next to the defence of the Province, I take this to be an affair of the greatest consequence. I should also think it prudent to look carefully into the several loans of the Province, and, after so many years’ indulgence to the borrowers, to order them to be paid in without more delay. For a sacred observation of the terms of the several Acts, by which the bills have been issued, must have a natural tendency to support their credit. And I think it would be an instance of the wisdom and justice of this Government, not to suffer an emission of any sort of notes or bills for the future, but such as will instantly, and at all times, honestly and truly command the value expressed in them. I look upon the land and commerce of the country to be but one joint interest, and should be always equally encouraged. And it is with much concern I mention to you the decaying state of the trade of the Province. While our importations are so exceeding as constantly to leave us a large balance in arrear to our friends abroad, it is impossible we should carry on a gainful trade, or have among us gold and silver, the only valuable medium of commerce. Happy would it then be for the Province, if the Legislature would establish some large premiums to encourage the cultivation of the lands, as on hemp and other naval stores, and our English grain. Something of this kind may gradually bring the balance of trade in our own favour, which will of course fix the standard of money among us.”

¹ Governor Belcher's Speech.

¹ Governor Belcher makes further remarks on this subject, which he deemed of vital importance to the community. "Of late, it is most certainly apparent that emissions of bills of what sort soever, have sunk the value of all bills that were extant before, more or less in proportion to the sums that have been emitted, and a plain proof of this we have had the last year upon an emission of this government, of about eighty thousand pounds, and of a much greater sum by a number of private persons, and of still more by the neighboring Colonies, which in the course of the year, have sunk the value of our Province bills, at least a fifth part." This has injured those of Great Britain who trade here. "Yet the loss has more heavily fallen upon such as are the most careful and industrious to live within themselves, upon widows and orphans, upon the ministers of religion, and upon such as spend their time to serve the publick." They who live by credit are most benefited by such a state of currency. The bills of the Private Bank or merchants' notes, instead of preventing a further depreciation of Province bills, as it was confidently said, have had a contrary effect.

1734.
Nov.
22.

Such compends of sound political economy had been often repeated, from the Chair of State, in the ears of the two Houses. A page from Davenant, or Steward, or Smith, could offer no better advice for a country situated as ours was.

In accordance with the suggestion of Mr. Belcher, the General Court consider the means for suppressing the merchants' notes, but as they could not agree, the subject is deferred.

Actuated by the prevalent mania, against which wise precautions had been given, a company in New Hampshire concluded to follow the example set by the association of our metropolis—who had issued notes on their own responsibility—but not to imitate their judicious provisions to hinder loss to the public. ² Hence our Legislature pass a law against the circulation of their bills on a penalty of heavy fine. A part of the introduction to

1735.
April
18.

¹ Governor Belcher's Speech.

² Massachusetts Acts.

1735. this statute runs thus:—Whereas sundry persons of New Hampshire, have adopted measures the past year to issue “promissory notes of a most uncertain and sinking value, as they are payable in New Hampshire, Massachusetts, Connecticut, and Rhode Island bills, or in silver, gold or hemp, at the unknown price they may be at in Portsmouth, in New Hampshire, Anno 1747, whereby his Majesty’s good subjects will be great sufferers, should they part with their goods and substance for them or accept of them in payment.” This was a banking speculation, which promised much advantage to its promoters, but very little to the public. The larger amount of its paper, like all such currency of that day, in New England, reached Boston—the great mart for the northern Colonies. But placed under the ban of the law, its market was spoiled for this Province.

June 20. ¹ While this money was thus driven from circulation, the bills of Massachusetts are so scarce, that the inhabitants are permitted to pay their taxes in hemp, flax and bar-iron. In this manner, when necessity was laid on the people, they had partial and occasional returns to the ancient mode of satisfying demands of the public Treasury upon them.

1737. Feb. 4. ² Perceiving that with all their vigilance and exertions, they could not restore the credit of their notes, the General Court resolve to have others made, differently expressed. This they do in an emission of £18,000 in bills of the current form, and of £9,000 in a different form. The first sum was to be re-called in a year, and the last in 1742. As a sinking fund for both of these amounts, the people are still allowed to pay their taxes in hemp, at 4^d and flax at 6^d to the Treasurer, or money, both hard and paper, if they could. As the conditions of the £9,000 emission, differ from those in preceding bills of credit, it causes them to be denominated new tenor and the others old tenor. The succeeding form was adopted for the new tenor:

¹ Massachusetts Provincial Records.

² General Court Records.

1737.

TWENTY SHILLINGS.

TWENTY SHILLINGS.

This Bill of TWENTY SHILLINGS due from the Province of the Massachusetts Bay in New England, to the possessor thereof, shall be in value equal to three ounces of coined silver, Troy weight, of sterling alloy, or gold coin at the rate of four pounds eighteen shillings per ounce; and shall be accordingly accepted by the Treasurer and receivers subordinate to him in all payments (the duties of Import and Tunnage of shipping and incomes of the Light House only excepted,) and for any Stock at any time in the Treasury.

*Boston, By order of
the Great and General Court or Assembly.*

*Twenty Shillings.**Twenty Shillings.*} *Committee.*

A reason why these notes were not to be received for the excepted duties, was because such duties were ordered to be paid in hard money, which was to redeem the notes.

¹ As the act for such bills limited the preceding ones to the payment of like taxes, though when first ordered, they were to be taken for all taxes, merchants loudly complained, that this was a breach of public faith, was one act's destroying another. Dissatisfaction of this kind tended to injure both sorts of bills. Though government set the new tenor at one for three of the old, yet the people passed them at one for four.

As a specimen of the Protean appearances, which were assumed by knavery with regard to New England notes, we copy the heading of an act against such iniquity:—

² “Whereas by the tearing of the bills of credit on this Province and on the neighbouring governments into halves and quarters, and then passing the same so torn and defaced, many frauds have been committed by taking and joining bills of a lower denomination to those of a higher

¹ Letters from Boston.² Massachusetts Provincial Records.

1737. denomination, and so uttering and passing the same; and likewise parts of false and counterfeit bills in parts separate, or joined to parts of true bills, and thereby many of his Majesty's good subjects of this Province have suffered considerable loss and damage and are likely to suffer more." Then follows a heavy penalty for such offenders, and no persons should receive any payment from the Treasurer for a torn bill, unless they took oath that it was so marred while in their own possession.

Dec. 1. ¹ Governor Belcher observes that the issuing of new tenor bills has had a good effect in promoting public credit.

The General Court renew their endeavors to guard the community against the influx of unsafe paper. On this head, their language runs thus:—² "Whereas the emission of great quantities of bills of public credit without certain provision for their redemption by lawful money, in convenient time, hath already stript us of all our money and brought them into contempt to the great scandal of the government; and for the remedy thereof, this Province hath fixed the value of their bills in lawful money and the time of their redemption in 1742. Yet the neighbouring Governments whose bills have been received by the inhabitants of this Province promiscuously with our own, have taken no care to fix any certain value on theirs, and by that means, our good intention may be frustrated unless special provision in this can be made." With such reasons before them, both Houses pass a bill to be enacted, that no paper money of other Provinces shall be taken in Massachusetts, except redeemable by lawful money, on good security, in ten years from their first being issued, on fine of £10 for every such note paid or received. This bill is sanctioned by the Governor.

13. ² The Assembly assure the Governor, that his purpose to have all their bills re-called in a year or two, is impracticable, and that if attempted, would accumulate the distress already endured by the inhabitants.

16. He replies, in reference to an emission of bills, which

¹ Journal of the House.

² General Court Records.

they had urged more than a year before :—" I will employ 1739.
 my best offices, consistent with my duty to the King, ^{Jan.}
 that his Majesty's Royal leave may be obtained for giving 17.
 my consent to a bill of this nature." Thus encouraged, 23.
 both Houses designate a Committee to urge their agent in
 London to obtain such permission from the Crown.

¹ The letter of this Committee to Francis Wilks, states
 that it is the desire of his Excellency as well as of the
 other branches of our government, that he may have
 leave from the throne to sign an act for the emission of
 £60,000 in bills for redeeming those due in 1742. They
 relate, that Massachusetts had recently made a law against
 the bills of adjacent Colonies, unless payable in specie,
 and that her paper could not sustain its credit without
 such a regulation.

² The agent for Massachusetts writes, that the Lord's March
 Commissioners for Trade strongly object to an issue of the 16.
 £60,000, while it is allowed here, that debts, payable in
 specie, may be discharged with such paper. He also May
 relates, that in an interview with the President of the 19.
 Lords of Trade, he mentioned how unequal it was for the
 Governor of Massachusetts to be limited in giving sanction
 to the issues of paper money, while the Chief Magistrates
 of other Colonies are left unincumbered in this respect.
 He further stated to the President, that notwithstanding
 the law of Massachusetts against the currency of notes
 emitted by the adjacent governments, yet our people were
 under a necessity of taking and paying them, because our
 own bills were scarce.

While exerting themselves to enlarge their medium of
 exchange, they pass a law to be enacted for the relief of
 debtors. This requires that every creditor shall receive
 the bills of his own government for demands, if such
 bills were issued before March 25, 1738.

Supposing the House unduly inclined to regard the
 future finances of the Province more under the emblem
 of a cornucopia than otherwise, the Chief Magistrate
 reminds them of what they had reason to anticipate from

¹ Mass. Archives—Letters, vol. iii. ² Mass. Archives—Letters, vol. iii.

1739. ¹ their present and past experience. ¹ He states to them that their loans to 1727 were £260,000, and that a quarter of it was still unredeemed and that a part of this should have been called in twenty years ago, and that their old bills had fallen two thirds of their first value. Such plain talk brings a reply from them which does not give so sombre a hue to their lack of punctuality in managing the public monies. It also induces them to send a committee and ask an explanation of him for some other remarks, but he declines to see them.

Oct. 5. ² His Excellency sends a report, made by the Lords of Trade—the preceding April 11—to the Council, concerning the £60,000 emission for which the House were anxiously desirous, as a means of easing the heavy burden, that must come on the people in paying rates to redeem the bills of credit. This report, however, proposed conditions with which the General Court are unwilling to comply.

1740. ³ Knowing that coin had been mostly driven from the country by the unsuccessful management of the paper currency, and that this was soon to be drawn in, Thomas Hutchinson—afterwards Governor—as a leading member of the House, brings forward a project to meet so unpleasant an exigency. It is, to hire 220,000 ounces of silver or gold equivalent, for ten years at four per cent. in England, on the credit of the Province. But it is not successful, as a subsequent and similar one of his proved to be.

As a partial relief to the dark forebodings of the public mind, if no increase to the medium should be allowed by the Executive, he signs an act for an emission of £160,000 in old tenor bills, equal to £35,333 6^s 8^d, payable December 31, 1742-3-4. The notes for this emission received the name of new tenor, which made the preceding series, that had been similarly denominated, called middle tenor.

19. ⁴ In continuance of the controversy between the Representatives and the Governor, he repeats his account of the Province arrearages. He says, that there are £210,000 in

¹ Mass. Provincial Records.

² Mass. Provincial Records.

³ Mass. Archives—Pecu., vol. ii.

⁴ Mass. Provincial Records.

bills now circulating, £40,000 are on loan, and the rest ^{1740.} £170,000, former Assemblies have promised shall be collected into the Treasury, by a tax in the several years specified, by 1742, and that this will be a heavy burden, especially as no provision is made to supply the place of paper currency. Such being the pecuniary condition and prospect of the Province, several projects are advanced by companies to supply the deficiency of money. The petitions of these associations, being laid before the Legislature, and assigned to a Committee for consideration, are reported on. One of them was John Colman and three hundred and ninety-five others, for £150,000, to be lent in notes on land security, and payable in twenty years by various articles of merchandize. It was in some degree like the scheme of the noted, but mistaken John Law of Scotland. Another was Edward Hutchinson and one hundred and six partners, for £120,000, redeemable in fifteen years, with silver at 20^s an ounce, or gold pro rata. ¹ The latter was upon a plan similar to one before mentioned, and its bills were denominated merchants' notes. It was promoted in order to put down the other. Though the gentlemen appointed to consider them had less objection to the Specie bank than to the Land, or as frequently called, Manufactory Bank, they give an opinion, that both are inexpedient. ² In the Legislature, there is a diversity ^{March} of opinion, as to these companies. ³ The Council express ^{26.} their wish that the Land Bank may be forthwith disannulled, but that the silver scheme, so called, be put over to the coming session. The Representatives, looking on the Land Bank as designed for people of moderate property as well as for the rich, manifest their desire that both suspend operations till the next Assembly, and then be considered as to their respective claims. This was the motion agreed on, and thus the petitioners earnestly looked for a hearing.

⁴ The Assembly enact that £4 in bills of the old tenor ^{April} and 26/8 of the new, otherwise called middle, shall be ^{16.}

¹ Letter to a Merchant in London.

² Mass. Provincial Records.

³ Mass. Archives—Pecu., vol. ii.

⁴ Mass. Provincial Records.

1740. received in all payments equal to 20^s of the last form and tenor, and so pro rata for a greater or less sum.

¹ It appears that there were at this time more plans for banks than the two just described. A close and correct observer of the financial concerns of the country, as they were in that period, wrote to a correspondent. His remarks substantially follow:—There are many schemes in Boston for emitting enormous quantities of paper currency; one, for counteracting Rhode Island bills, to issue on the responsibility of individuals £500,000 in notes without fund or period. In this connection, he states that the emissions and reëmissions of Massachusetts bills, from 1702 to 1740, amounted to £1,132,500 on funds of taxes, and £310,000 on loans. Of these sums £230,000 are still outstanding, and, if public faith be better kept, such an amount will be cancelled by 1742. He also states, that the ordinary charges of the Government are £40,000 of the paper currency at 450 per cent. advance, or £5½ of it for £1 sterling. He describes the unequal necessities, to which several classes of society are reduced, in consequence of the fall in Treasury notes. The carpenter gets 12^s a day, equal only to ¾, even if silver be calculated at 8^s an ounce. He is also obliged to take half of his labor in shop notes, payable in goods at 25 per cent. advance. Such notes began to appear with the bills of the Province, and they are a great grievance to tradesmen. The clergy experience similar diminution in their means of subsistence. Widows and orphans are great sufferers in their property. Charity funds are greatly reduced in their real income. ² Rev. William Cooper in speaking on this subject, thus describes it:—"An empty treasury, a defenceless country and embarrassed trade are indeed melancholy things."

May
26.

Leaving this dark picture, we resume the story of the two banks before the Assembly. Of these, the Land Bank is particularly obnoxious to the Governor. He appears resolved, that if necessary, he will put forth his

¹ Discourse concerning the Currency of the British Plantations in America.

² Rev. William Cooper's Election Sermon.

utmost power to crush it in the bud. His feelings in this matter were not peculiar to himself. They crossed the Atlantic and utterance is given to them in the capital of Great Britain. ¹They are embodied in a memorial, signed by merchants there and others, and presented to our Assembly. Still, with this array of discouragements, they issue their notes. The Specie Paying Bank, securing more extensive confidence, and viewed with less severity of suspicion than the Land Bank, does no less than its rival.

1740.

June
6.July
17.

In reference to these associations, Mr. Belcher issues the succeeding Proclamation:—² “Whereas a scheme for emitting bills or notes by John Colman, Esq. and others, was laid before the General Court, in their session held the 5th of December, 1739, and by a report of a Committee appointed by said Court, was represented, if carried on, to have a great tendency to endamage his Majesty’s good subjects as to their properties; and whereas application has been very lately made to me and his Majesty’s Council, by a great number of men of the most considerable estates and business, praying that some proper method may be taken to prevent the inhabitants of this Province being imposed upon by the said scheme; and it being very apparent that these bills or notes promise nothing of any determinate value, and cannot have any general, certain or established credit; wherefore, I have thought fit, by and with the advice of his Majesty’s Council, to issue this Proclamation, hereby giving notice and warning to all his Majesty’s good subjects of the danger they are in, and cautioning them against receiving or passing the said notes, as tending to defraud men of their substance, and to disturb the peace and good order of the people, and to give great interruption and bring much confusion into their trade and business.” This language was the genuine expression of his Excellency’s heart, uttered to a community under the influence of strong and conflicting excitements. Among the deep and turbid springs of calamity breaking forth in the Province, was the exacting of long

¹ Massachusetts Archives—Pecuniary, vol. iii.

² Massachusetts Archives—Pecuniary, vol. iii.

1740. deferred payment for the treasury loans. Much litigation and great loss accrued to many, who had mortgaged their estates for such debts.

July 25. Understanding that his permission for a late issue of notes was censured in Parliament, Governor Belcher¹ writes to Mr. Partridge, an agent for our Province in London:—
 “I wonder Mr. Sandys or any member of the Honorable, the House of Commons, should think it a fault in me to give my assent to a bill for more than £30,000. The sense of such instructions is, that I am to allow no greater emission than what will pay the expenses of Government. My consent was to £80,000 old tenor, which is only equal to £26,633 13 4 of new tenor, which is not so much as my privilege allows.”

Oct. ²Of the bills which had been issued by the Province, and to which much of the prevailing distrust and distress was imputed, £143,952 19 5 are still passing. This amount had so fallen in value, that it is estimated at £27,790 11 10 sterling, at 400 per cent. advance.

Nov. 6. ³Mr. Belcher being assured that part of the military corps encourage the circulation of the Land Bank paper, publishes a Proclamation to suppress such an example, as he judged, against the executive authorities. His words are—“I hereby warn all commissioned officers in the militia from signing or giving any countenance to the passing of the said notes of hand, directly or indirectly. And as I apprehend, that if these should obtain a currency, it will reflect great dishonor on his Majesty’s government here, and be very detrimental to the public interests of this Province and people, I do hereby declare my firm resolution, that if after this publick notice given, any of the military officers of this Province persist in being any way concerned in or giving any encouragement whatsoever to the passing of the said notes of hand, and full proof be made thereof to my satisfaction, I will immediately dismiss them from their said offices.” In no few instances was this promise kept, as the occasions arose.

¹ Gov. Belcher’s MS. Correspondence.

² Massachusetts Archives—Pecuniary, vol. iii.

³ Massachusetts Archives—Pecuniary, vol. iii.

¹ Civil as well as military individuals are compelled to bow before the storm. As a sample of their communications with the Governor, the following is adduced :—" May it please your Excellency. Inasmuch as your Excellency's Proclamation of the 5th current, the holding of a commission under your Excellency is made inconsistent with the prosecuting the manufactory scheme, in which we are concerned, and whereon, in our humble opinions, the interest of our native country so much depends as to require the utmost of our endeavours to promote the same. Therefore, as with a grateful sense of your Excellency's favour we received our commissions and trusts, so with the same sense for your so long continuing us therein, we now, with your Excellency's leave, resign these trusts, being concerned, that our being out of town deprived us of the opportunity of accompanying those gentlemen who have this day resigned before us. We are your Excellency's dutiful and humble servants,

" SAMUEL ADAMS.²
JOHN CHOATE."

Doctor Robert Hale of Beverly, holding a similar trust with these two gentlemen, resigns for the same cause.

³ While these changes are occurring, the Governor, with the eye of suspicion upon the track of the two banks, reminds the Assembly, that the notes of these companies are spreading among the inhabitants. He and the Council require the stockholders to give bonds, so that the public shall not be injured by such currency. He informs the Representatives, that, as for the Land scheme, the King and Parliament had been petitioned for its immediate suppression. He proposes to them that they pass a law for a like end. But the greater part of them being actuated by their own views as well as by the popular wish, take no step to arrest the operations of the bank, but they rather encourage them.

⁴ The three justices, whose resignation is previously

¹ Massachusetts Archives—Pecuniary, vol. iii.

father to the patriot. Mr. Choate belonged to Ipswich.

² Mr. Adams was of Boston, and ³ Journal of the House.

⁴ Massachusetts Provincial Records.

1740. stated, with William Stoddard and Samuel Watts of Boston, sustaining like offices, have their commissions nullified by the Governor and Council, for favoring such an association. Other justices are made to taste of the like severity on the same account.

¹ As Robert Hale of Beverly—a director of the Land or Manufactures Bank—had presented a plan of this association, so that it might be recorded in the Secretary's office, the Council vote, that, after their expressed disapprobation of the company as promoting fraud, it is an indignity to their body for such a request to be made, and they direct the Secretary to return the document.

As referring to this Association, which for a protracted period received a large share of public attention, the subsequent plan, on which it was formed, is given. Though necessarily occupying more pages than brevity would require, yet the perusal of it will furnish us with ideas, not elsewhere to be obtained, of the manner in which banking was conducted a century past. Like Sybil leaves of antiquity, its worth is enhanced by the fewness of its copies and by the greatness of its age.

“Province of Massachusetts Bay in New England.

“In order to Redress the distressing Circumstances, which the Trade of this Province labors under for want of a Medium, other Methods having failed, it is proposed to set up a Bank on Land Security, no Person to be admitted but such as dwell in this Province, and hath a Real Estate therein.

“I. The Stock to be one Hundred and fifty Thousand Pounds Lawful Money; no Man to Subscribe more than *Two Thousand pounds*, and none less than *one hundred pounds*; the Subscriptions not to be binding, unless one Hundred Thousand Pounds be subscribed, each Subscriber for one hundred Pounds to have one Vote, Five hundred pounds two Votes, One Thousand Pounds three Votes, Two Thousand Pounds four Votes, and no person to have above four Votes.

¹ Massachusetts Provincial Records.

"II. Each Subscriber shall pay into the hands of the Committee Forty Shillings Lawful Money for one Thousand Pounds, and so in Proportion for a greater or lesser Sum, toward the Charge of bringing forward the affair. 1740.

"III. Each Subscriber shall make over an Estate in Lands to the satisfaction of the Directors, and shall pay in three per cent. per Annum Interest for the same in any of the following Manufactures, being the produce of this Province, viz. Hemp, Flax, Cordage, Bar Iron, Cast Iron, Linnens, Sheep's Wools, Copper, Tanned Leather, Flax Seed, Bees-Wax, Bayberry-Wax, Sail Cloth, or Canvas, Nails, Tallow, Lumber, or Cord Wood, or Logwood though from New Spain; whoever pays in any of them, shall deliver them to the Directors or such as they shall appoint, at such prices as the Directors shall from time to time regulate, or pay in the same in the Company's Bills.

"IV. Every Subscriber shall pay annually five per cent. as part of the principal untill the whole is paid, under the same regulations, and in the same manner, as in the foregoing Article is expressed.

"V. There shall be twelve Directors and a Treasurer, chosen on such allowances as shall be thought proper, who shall appoint Clerks and other attendants as they shall find necessary, and agree with them for their Salaries; and as there may be occasion, may dismiss them and choose others; they shall also appoint persons to value the Lands taken for securities, who shall be paid by the mortgager. All the said officers to be under oaths, and give security for the faithful discharge of their Trust. The appraisers to be under oath.

"VI. No person shall be capable of being a Director or Treasurer, who signs less than five hundred pounds, and if any Director or Treasurer die, or is removed, the vacancy shall be filled at the next meeting of the Company by a major Vote of the partners present; and if any of them be found guilty of Fraud in the execution of his office, a major part of the Directors, concurring with the major part of the partners, shall put his Bond in suit, and he shall be declared no longer a partner.

1740. "VII. All Mortgages and Bonds shall be made to the Directors for the use of the Company, except what is given by any Director, which shall be made to the rest of the Directors; and all mortgages shall be put upon publick Record, to prevent clandestine conveyances; the charge of recording to be paid by the Mortgager; and every partner shall be obliged on demand of the directors, or the major part of them, to give such better security as they shall think needful, in case their security already given be by them esteemed insufficient, and if any of them refuse so to do, his Mortgage shall be sued out, and he shall no longer be partner.

"VIII. To oblige all partners to pay their Interest and Dividend of the principal punctually, whoever neglects paying above 3 months after it is due, his mortgage shall be put in Suit, and he shall be no longer a Partner.

"IX. The Directors shall from Time to time put out upon Lawful Interest on good security, all such sums as shall be in the Treasurer's hands, for the use and benefit of the Company; the Annual contingent charge first deducted; the Borrowers to pay principal and Interest in the Company's Bills; or in the aforesaid manufactures.

"X. There shall be a meeting of the Partners on the second Tuesday in June annually; and at the end of five years at that meeting, there shall be a Dividend made of so much of the profits as shall be agreed on by a major part of the Directors, concurring with a major part of the partners then present; and from that time there shall be a Dividend at every annual meeting; Provided always, that in all such Dividends care shall be taken that there still remain in the Stock double the Principal paid in from time to time as aforesaid.

"XI. It shall be in the power of any partner to redeem the estate he hath mortgaged at the end of five years, or afterwards, he having the consent of the major part of the Directors, with the major part of the Partners, by paying in the money he received out thereon, with the Interest then due, either in the Company's Bills, or in the Manufactures before mentioned.

"XII. Whereas it is principally designed, that all the 1740. Subscribers shall give Land Security, as before mentioned in the third Article; yet as there are many Artificers and Traders in this town of Boston, in good Credit, who have not Real Estate to mortgage, but can give good personal Security to the Satisfaction of the Directors; Now that such persons and they only may be encouraged in their respective occupations, it shall be in the power of the directors to admit such persons to be subscribers, but none for more than One Hundred Pounds, they giving Bond with two sufficient sureties in double that sum.

"XIII. As the signers of the Bills oblige themselves to the Possessors in behalf of the partners, so the Partners must oblige themselves by an Instrument to indemnify the Signers.

"XIV. At the annual meeting in June, all Accompts relating to the company shall be laid before them by the Directors and Treasurer, and a major part of the Directors, concurring with a major Part of the Company then present, may agree upon any other Rules or Methods for the better observing and fulfilling the Articles aforesaid.

"The Bill to be as follows, viz. :

TWENTY SHILLINGS.

"We Promise for ourselves and Partners to receive this Twenty Shilling Bill of Credit, as so much Lawful Money, in all Payments, Trade and business, and after y^e expiration of twenty yeares to pay y^e possessor y^e value thereof in Manufactures of this Province. Boston, etc."

¹ His Excellency writes to the Colonels, urging them to make rigid scrutiny of all officers in their regiments, suspected of promoting this company's object, and to dismiss all who persist in such a course of action. He also requires the several County Registers to forward him a list of the deeds, from partners in it, as recorded on their books. The Courts of Sessions are prohibited from allowing licenses to any who are similarly disobedient. No

Dec.
11.

20.

¹ Massachusetts Provincial Records.

1741. lawyer is allowed to plead before the Council, who is alike chargeable. Indeed, no class of the community escapes
 Jan. 27. the energetic inquisition of the Executive authorities.

Feb. 27. ¹ A gentleman, writing to his correspondent in London, on the state of our Province, relates—"The Governor and Council are dismissing all officers, civil and military, from their appointment, who are concerned in this combination," that is, the Land Bank. "Whole troops, nay, almost whole Regiments either resigned or told their Colonels, who examined them, that they would resign, rather than not encourage the bills."

² A spirit kindred to this, infused itself into a portion of the towns, who resolve that they will pay their rates in such money.

March 27. ³ With regard to private banks, a letter from Francis Wilks to Secretary Willard, has the subsequent extract:—"A Bill is just passed the House of Commons to extend the Act, commonly called the Bubble Act passed in 1720, to the Plantations in America, after it had sundry alterations from what was first printed. I am satisfied it is the determined resolution of the Parliament to dissolve all companies in America, who have put forth any Notes or Bills to pass in publick, and to prevent any from doing it hereafter."

Resistance is manifested towards the Governor in various modes and instances, as though he had assumed and exercised arbitrary power. Of the many letters forwarded to him by those who fell under his displeasure, is one
 April 13. from Henry Lee, Esq., of Worcester. ⁴ In it the author confesses himself an approver of the Manufactory Bank, and thus gives expression to his purpose and sentiment:—"I am determined to do what I can to encourage it, and think the privilege of an Englishman is my sufficient warrant. To sacrifice my post for the service of my country, is infinitely more honourable than to keep it on such base conditions." Here we have an outbreaking of the Magna Charta spirit—a spark of the Revolutionary ardor.

¹ Letter to a Merchant in London.

² New England Weekly Journal.

³ Mass. Archives—Letters, vol. iii.

⁴ Mass. Archives—Pecu., vol. iii.

While clashing resolutions thus prevailed, there is a ^{1741.} mania for banking, considerably resembling what has been witnessed in later days. Some companies in several counties determine to enter the vortex of such speculation.¹ One of Essex County had applied to the Legislature for leave to issue notes of £50,000 on land securities. They were not, however, encouraged to proceed, though they had gone so far as to engage an engraver for their bills. Another was proposed by residents in Scituate and neighboring towns, and a third in Middlesex County, which met with no better success on application to the General Court.

April
14.

² That we may have a general idea of the mixed currency at this time, the succeeding extract is quoted:—
“ We have in Massachusetts public bills of four Provinces at 29^s for an oz. of silver. New tenor of Massachusetts at 6/8, but currant at 9/8 oz. of silver. Connecticut new tenor at 8^s, and Rhode Island new tenor at 6/9, of private bills are £110,000 of silver money scheme or merchants’ notes, issued in 1733, to prevent an enormous Rhode Island emission from depreciating our currency. They are punctually paid in gold and silver, and are 33 per cent. better than Province bills. There is another sum of £120,000 in merchants’ notes emitted in 1740 on a silver bottom to stifle the Land Bank—which are equivalent to cash. They who are responsible for them are eminent and wealthy merchants. The Bills of the Land Bank or manufactory scheme are payable in twenty years, and then only, in goods at an arbitrary price.”

While the resistance of Mr. Belcher to banking associations rather increased than diminished their zeal, because they construed his activity in this respect, as the result of an aristocratic temper, he and his friends are startled at the rife reports of a plotted insurrection. ³ One person deposes, that he has been assured, that a thousand men are to rise in Boston and be increased with twenty thousand from the country. Others testify, that the malcontents mean

May
2.

11.

¹ New England Weekly Journal.

² Letter to a Merchant in London.

³ Massachusetts Archives—Pecuniary, vol. iii.

1741. to march for the metropolis and demand the reasons for opposition to the Land Bank, and to mob the traders who should refuse to sell coin for its bills. That there were attempts to promote something of this sort, is plain from the evidence given under oath.

As a confirmation of these statements, we have two letters from under the hand of Governor Belcher. One of them is addressed to Secretary Waldron, and is in point, as well as in relation to a topic which he had suggested.

May
11.

¹ "The Land Bank concern openly defy the act of Parliament, are now combining to raise a rebellion, and are coming to Boston at Election, the 27th inst. I have this day sent the sheriff and his officers to apprehend some of the conspirators. The Land Bank does so affect every affair in the Assembly and throughout the Province, that it will be the ruin of the government and people, if it be not speedily and effectually crushed. I will at the first leisure moment, sit down and gravely consider your scheme for issuing bills of credit, though I tell you before hand, if it does not secure an invariable value to the bills, that is, to be worth as much to-morrow, next day, and all the time they are extant, as at the moment they are issued, or I might have said, to be at the first of their coming out and always, what they are called in the face, I say, unless effectual care can be taken for so ascertaining of them, I can never be in opinion of any scheme for a paper currency. Every other *thing* must be a cheat and delusion."

² The other, directed to Thomas Hutchinson, has the subsequent language:—"You say, it would be much better if some other way than by application to Parliament could be found to suppress it, (Land Bank.) I assure you, the concerned openly declare they defy any act of Parliament to be able to do it. They are grown so brassy and hardy as to be now combining in a body, to raise a rebellion, and the day set for their coming to this town is at the Election, and their Treasurer, I am told, is in the

¹ Governor Belcher's Correspondence—in the Library of the Massachusetts Historical Society.

² Governor Belcher's Correspondence.

bottom of the design and I doubt it not. I have this day ^{1741.} sent the sheriff and his officers to apprehend some of the heads of the conspirators."

The energetic measures adopted on this occasion, strike a damp upon the feelings of the conspirators, and they draw back from their hazardous purpose. The individuals, so implicated, were chiefly from what are now denominated Plymouth and Norfolk Counties.

¹ While the Land Bank is the occasion of such a disposition among many of the people, its influence is renewedly exhibited in the Assembly. The House propose several of its supporters for members of the Council, but the Governor puts his veto upon them. Nor did he stop here. He sends the subsequent message to the Representatives. ^{May 27.} "The management of the Elections made yesterday, discovers to me so much of the inclination of your House to support the fraudulent, pernicious scheme, commonly called the Land Bank, condemned at home by his Majesty and Parliament, that I judge it derogatory to the King's honor and service, and inconsistent with the peace and welfare of this people, that you sit any longer in General Assembly, and I have therefore directed Mr. Secretary Willard to declare this Court dissolved." ^{28.}

² Perceiving his Excellency to be so determined, Rev. Jonathan White, of Gloucester, writes an apology to him ^{June 29.} for being concerned with such a company. He relates, that his people had so far failed in their fishery, by reason of war with Spain, and fear of war with France, that they owed him £200 of his salary, which greatly straitened his family, and drove him to hire money. He then says, "I pray that my difficult and perplexed circumstances may apologise and excuse for my being concerned in the Land Bank. When I first gave in my name, I looked upon it as just and beneficial to the publick. But it, in the event, proving hurtful, I am sorry I was ever concerned in it."

While Governor Belcher thus strenuously set himself

¹ Journal of House.

² Massachusetts Archives — Letters, vol. iii.

1741. against private banks, the majority of the Representatives delay not to retaliate. Already had they instructed their friends in London to solicit his removal. Nor were their efforts unsuccessful. He is recalled before accomplishing what he honestly considered an important work of reform in our political economy.

July 3. ¹ His course in this country was misrepresented to the Royal Council, by those who took advantage of his unpopularity with the advocates of the Land Bank, so as to get him displaced, in the hope of advancing their own interest. Nor was this management discovered till he was actually ejected from office. When the rights of the case came to be properly understood, he was placed in the government of New Jersey. In writing to his brother on his loss of the government here, he thus gives vent to his emotions. "I must needs own, it gives me a terrible shock, and the more so, when I consider how faithful I have been to the King, and after all to be turned out without fault or complaint, I think must be a great discouragement to all faithful servants."

William Shirley having been appointed as his successor, arrives to resume his task. This, in point of labor, had much resemblance to Sysiphus rolling his stone. As an alleviation, however, of his toil, he does not insist on the withdrawal of the Province notes so soon as his predecessor did.

Aug. 17. Still, in his first speech, he describes his views of pecuniary affairs, as far from being bright and cheerful. A compend of this document gives us the ensuing facts. It is hoped that the legislation of Parliament will terminate the miseries accumulated on the Province by the depreciation of its bills. It states, that exchange between sterling and Massachusetts paper is 450 per cent. in favor of the former, and hence creditors, as the law stands, suffer immensely, except those who make their contracts on special conditions. It intimates that such a state of trade is an abundant source of dishonesty. It remarks,

¹ Governor Belcher's Letters.

that the adjacent Colonies have flooded Massachusetts ^{1741.} with their paper money, to the great profit of themselves, but to the greater detriment of our community.

In conformity with the implied wish of Mr. Shirley, ^{Sept. 22.} in this document, ¹a committee of the Court meet at Milton, to examine the condition of the Land Bank. They find that £49,250 of its notes are struck off and endorsed, and that the Treasurer had issued them from his hands to the amount of £35,582, and that the Directors employ £4,067 of them in trade. This investigation is soon followed with heavy restrictions upon the funds of the company.

As a sample how banking concerns figured in poetry as well as prose, the following is presented. ²It is a dialogue between Ralph, a freshman at College, and his brother Will, a rustick; wherein Ralph undertakes to instruct Will in State affairs.

RALPH.

"Two bits of paper from the plate,
Ingaged in cruel wars of late,
Drest in the pride of copper cuts,
Each other charged with being cheats."

WILL.

"Stay——pleased to explain;
I fain would know what 'tis you mean."

RALPH.

"The Land Bank and the Silver scheme
Was all last winter's noisy theme,
Till their debates, at length, were sent
For issue to the Parliament."

A message from the Governor is forwarded to the Representatives, that the restriction, on the emission of more than £30,000 in paper, is rescinded. This is, to their ears, like good news from a far country.

³As a means to correct the effects of a deranged currency, ^{1742.} is the enactment of the Equity Bill, which had ^{Jan. 15.} been long on the tapis, and which experience had proved

¹ Massachusetts Archives—Pecuniary, vol. iii.

² Ames' Almanack, 1742.

³ Acts of Massachusetts.

1742. to be very necessary. This document requires, that, after the 1st of February next, all coined silver of sterling alloy shall pass, as lawful, at $\frac{6}{8}$ the ounce, troy weight, and other money in the same proportion; "and as bills of credit have been fluctuating and uncertain in their value, whereby many mischiefs and inconveniences have arisen," those now to be emitted shall be equal to hard money, and pass at the preceding rate. It provides, that all debts, which shall be contracted within five years, shall be payable in such notes, special agreements excepted; and if they depreciate, allowance shall be made accordingly. It demands, in order to prevent discount on the intended paper money, that, whenever exchanged for silver, it shall pass in proportion of $\frac{6}{8}$ an ounce of such metal.

March 30. ¹ A Committee ² for the settlement of the Land Bank, publish a pressing call on its stockholders to settle its demands upon them. This call contains the succeeding items. "It is now nine months since the company's vote at Lynn, that no more bills should be issued out of the Treasury till the next meeting, and more than six months since the vote passed at Milton to bring in and consume to ashes all the outstanding bills. By the delay of those indebted to the institution, our company is thrown into the last extremity of confusion; and without the most speedy measures are pursued in bringing in the bills, the consequence will, we fear, prove ruinous to some hundreds of the partners. The possessors of our bills are more and more uneasy every day, as that part of their estates lies useless by them, and are so incessant in their worries, that the Directors have in their late advertisement implicitly threatened to be on the possessors' side against the delaying partners."

April 7. ³ While his Excellency and the rest of the General Court are doing what they can to prevent ruinous collapses in the machinery of monied interests, he publishes an Act of Parliament, which lays an interdict on all stock associations without charters.

¹ Boston Gazette.

² Ebenezer Hartshorn, Jacob Sheafe, Peter Prescott.

³ Massachusetts Archives — Pecuniary, vol. iii.

In accordance with this Act, all the proprietors of the 1742. Land and Specie companies, who ceased connection with their operations before the 29th of September last, and who immediately settle all their dues to them, are to be saved harmless from the penalties specified in such an instrument.

¹ It is enacted that £4 in bills of the old tenor, and 26/8 of the first new tenor, otherwise called middle tenor, shall be received in all public payments equal to 20^s in bills of the last form, and so pro rata for a greater or less amount. It must have required some of Mr. Biddle's genius to have readily and correctly managed so complicated a mode of calculating the different denominations of the Province paper.

April
16.

The Act of Parliament, just mentioned, leads to the ensuing resolve :—"Whereas it is expedient and necessary for the peace and quiet of his Majesty's subjects in this Province, that all the notes of the silver and manufactory schemes should be drawn in and consumed, as soon as may be," a committee are appointed to investigate them, and report at the approaching session, so that their notes may be collected and consumed.

² To show the fears, feelings, and situation of stockholders in the Land Bank, the petition of twenty-two of them to the General Court is here cited. "We the subscribers were partners in that unlucky and unfortunate scheme, called the Land or Manufacture Bank, and when the Act from Great Britain arrived here and was published, we yielded as speedy compliance thereunto as was possible for us to do by paying in our respective parts or shares, and renouncing being any longer partners in the said affair. But some of our fellow-partners were incredulous, and would not believe that there was any such Act, and so under that incredulous notion, or rather through wilful negligence, have not nor will pay in their several shares and parts of the said Land Bank or Manufactory Bills, although they have been cautioned so to do by this honoura-

May
27.

¹ Massachusetts Provincial Records.

² Massachusetts Archives—Pecuniary, vol. iii.

1742. ble Court, and so by their obstinate and wilful negligence, or dishonest delays and dealings, your petitioners' persons and estates lie exposed to the demands of the possessors of the said bills, and several of your petitioners have already had demands made on them by the possessors of the said bills, to exchange several large sums of the said bills, and the processes are now out against them therefor. And yet we lie further exposed to have more and greater demands made upon us, and may, as we greatly fear, prove the undoing of your petitioners." Therefore they pray for needed relief in the premises. A committee are accordingly appointed.

June 30. ¹The gentlemen so intrusted, report on the "silver scheme." They state that this ²association had emitted £120,000 in notes, and recalled £69,361 12 6 of them, leaving still in circulation £50,638 7 6.

Though the officers and other partners in these monied institutions, placed under the ban of a Parliamentary enactment, had already met with no small trouble, yet they were to experience much more. The powerful opposition under which they commenced operations, was but a dark omen of their catastrophe.

While these institutions fill a large space in the public vision, the last series of Province notes do not help the community so much as anticipated. Individual interest 1743. then, as it generally has in all ages, being made para- Jan. 4. mount to the common benefit, is the occasion of so bitter a disappointment to the true guardians of the country. ³The notes, payable in specie, are hoarded up, and others are imposed on the inhabitants for their produce and manufactures. Hence, the common currency is the paper of adjoining Colonies, and that of this Province is not enough to meet the demands for taxes.

June 25. ⁴But, however, the last Treasury notes are scarce, and

¹ Massachusetts Archives—Pecuniary, vol. iii.

²The first directors of the Silver scheme, when its bills were emitted, were James Boutineau, Thomas Oxnard, Edmund Quincy, Andrew

Oliver, Samuel Sewall, Joshua Winslow, Hugh Hall, and another illegible.

³ Massachusetts Provincial Records.

⁴ Acts of Massachusetts.

well secured by severe provisions for being redeemed, 1743. according to the Government pledge, still they are rated at $7\frac{1}{2}$ for an ounce of silver, estimated at $6\frac{1}{8}$. As the public faith had been suffered to be violated respecting the payment of Province bills, it is not fully credited now, though backed with promises more strongly guarded, and thus the paper falls from its appointed valuation.

¹ To lessen this evil, the Legislature of Massachusetts July. propose to New Hampshire, Rhode Island and Connecticut, to have commissioners meet with theirs at Worcester, on the first Wednesday of November, to prevent further depreciation of the bills of credit in New England, and bring said bills to a period, consistently with the best interests of the said Colonies.

² As many stockholders in the Land Bank, who had Nov. 10. complied with the order of Government, are made liable for its paper, and have suffered great loss, because others of their company neglect to imitate their example, the Legislature commit the settlement of this institution to several commissioners.

³ In speaking on the pecuniary affairs of the Common- 1744. wealth, the Executive gives the ensuing details. Of Feb. 8. Rhode Island bills, now in circulation, and amounting to £440,000, £350,000 are passing in Massachusetts, and also £50,000 of Connecticut. On these two sums, the people here have lost, by the fall of them, £25,000 in nine months, which is so much proportioned gain to the two Colonies. This and other such losses equal £180,000. Not only this, but their bills reduce the value of those issued by Massachusetts. The Governor also observes, that it is an error to allow the Colonies to coin money or make bills, and that this is a Royal prerogative.

The House, knowing that individuals here had petitioned Parliament to take measures for controlling the paper currency of the American Colonies, and believing this to be contrary to their Charter privileges, order instructions to their agent, Christopher Kilby, so that he 27.

¹ Massachusetts Archives — Letters, vol. iii.

² Massachusetts Acts.
³ Journal of the House.

1744. may endeavor to prevent such interference. The Council
 ~~~~~ refuse to have part or lot with the Representatives in this  
 movement. The latter seem to have been induced partly  
 to pursue such a course by the closing remark of the  
 Governor.

March 1. <sup>1</sup>In despite of the measures previously adopted, to ex-  
 clude the bills of adjacent Colonies, they still find many  
 who receive and pass them. His Excellency assures the  
 Assembly that, unless they cut short this practice, their  
 Charter will be forfeited. A Bill was accordingly passed  
 to be enacted.

May 31. <sup>2</sup>In quoting from an Election sermon of Mr. James  
 Allen, a performance, which, as annually given, furnished  
 the leading topics of discussion, and thus valuable for its  
 history as well as for its moral and religious instructions,  
 has the ensuing passage :—"And that you (the Governor)  
 will be the means of delivering us from the perplexing  
 difficulties we are involved in, particularly by an unhappy  
 medium, uncertain as the wind, and fluctuating like the  
 waves of the sea, and which lies at the mercy of every  
 one to rise or sink at his pleasure. Through the  
 unrighteousness whereof the land mourneth, and the  
 cries of many are going up into the ears of the Lord of  
 Sabaoth."

Dec. As debtors, who confided in the last emission of Gov-  
 ernment notes, had promised to pay lawful money, mean-  
 ing these bills, but their creditors demanded specie of  
 them, because such paper had diminished in value, a law  
 is passed, that no debtor shall be obliged to pay silver,  
 unless he received it when contracting his obligation.

1745. <sup>3</sup>Pressed on all sides with the demands on their Trea-  
 Jan. 9. sury for the war, and not having sufficient funds to satisfy  
 them, the Government resort to the doubtful method of  
 raising £7,500 by a Lottery. One condition of this con-  
 cern is, that whoever adventures 30<sup>s</sup> in it, may pay this  
 sum, one fifth in the new tenor, or in old tenor bills at

<sup>1</sup> Journal of the House.

<sup>3</sup> Massachusetts Acts.

<sup>2</sup> Election sermon by Rev. James Allen, of Brookline.

four for one, and the other four fifths in the same paper, 1746. or in any of New England not prohibited.

<sup>1</sup>A law is passed to forbid the currency of Rhode Island, issued since 1742. All persons holding any offices, are required to take oath, that they will obey this Statute. Such a rule was, either purposely or unintentionally, often overlooked in the choice of town authorities, and 1747. this caused many <sup>2</sup>petitions to the Legislature, that their doings might be made legal. Aug. 29.

As debtors find the Equity law, in reference to paper money, bears hard on them, the Council and House desire the Governor to have it repealed. But he declines, believing it to be more just than the former Act, though he was aware that it needed some modification. Oct. 27.

<sup>3</sup>A report is made by the Lords of the Treasury, on the expense of the North American Colonies in the expedition against Cape Breton. They state the proportion of Massachusetts to be £261,700 0 3 in their new tenor bills. This computed at £142 10 per cent. exchange, makes £183,649 2 7½ sterling. Though this corresponds with the value of said bills in 1744, before the expedition against Cape Breton, yet it greatly exceeds the present value of them. Such notes have fallen much since February 14, 1745, when the first order was passed by Massachusetts to emit them for the expedition. But Mr. Bollan contends, that the great depreciation of our paper was owing to the distress occasioned by that expedition, and that no advantage should be taken of such contingences. The Lords of the Treasury maintain that the reduction of Massachusetts paper might be traced to the uncertainty of their being redeemed. The fact is, that truth lay between both of these extremes. Dec. 29.

<sup>4</sup>Mr. Kilby, our agent in London, writes to the Speaker of the House, that there are many schemes before Parliament, as to the plan of having the Colonial notes recalled. 1748. Jan. 7.

<sup>5</sup>It being found, that in estimating the value of Province Feb. 3.

<sup>1</sup>Massachusetts Acts.

<sup>2</sup>Massachusetts Provincial Records.

<sup>3</sup>Mass. Archives—Colonial.

<sup>4</sup>Massachusetts Archives—Foreign Relations, vol. i.

<sup>5</sup>Massachusetts Provincial Records.

1748. notes only by the standard of silver and bills of exchange, there is wrong done to the community, as well as to the government, because such a standard is suddenly and immoderately increased by speculators, "It is enacted, that when the persons appointed for such a purpose make their stated valuation of the paper money, they shall do it by the prices of provisions and other necessities of life, as by the customary scale."

As a general and correct exposition of the state in which the country is with respect to its medium of exchange, the succeeding extracts from his Excellency's speech, are here given. "The general distress of the Province, arising from extraordinary emissions of paper money, whereby the value thereof, for all occasions of life, is sunk so low, and is still sinking, and thereby the estates of orphans and widows, and many others who have no remedy in their power against this growing evil, daily diminishing which, must inevitably, in a little time, bring many good families to poverty. I most earnestly recommend to you to find some other way to supply the Treasury, than by making new emissions of paper money. And I am fully persuaded, that you will thereby not only give relief to the oppressed, who justly expect it from you, but also whatever charge may attend any new method to supply, it will be found in the end to save money to the Province."

In accordance with the advice thus given, Thomas Hutchinson moves, that the public notes be redeemed by the specie, to be received from the Royal exchequer, for charges in the capture of Louisbourg. In the meanwhile, merchants of London, who traded here, petition Parliament to the same effect. The project of Mr. Hutchinson receives but little encouragement from the House at first, but it is soon adopted by them. Wearied by the arduous bondage in which they had been to the Treasury system of loans, and other frequent emissions of notes, they gladly comply with his proposal.

Feb.  
27.

A committee are <sup>1</sup> designated to meet similar bodies

<sup>1</sup> Massachusetts Provincial Records.

from the other New England governments on the same <sup>1748.</sup> subject. A circular letter is prepared to give such an invitation. But it does not receive the coöperation of New Hampshire, Rhode Island, and Connecticut, which was ardently wished. They suppose it better to let their monied concerns pursue the common course. The burden of depreciation in their notes, having fallen more on Massachusetts than on themselves, they had not the motive of interest to draw forth their compliance which this Province had.

This plan is not without its <sup>1</sup>opponents in our Commonwealth. A considerable party, headed by Dr. William Douglas, the historian, though very desirous to have the paper taken out of circulation, contended, that it should be more gradual than proposed; and that, if carried into operation in its present features, it would give a fatal shock to business.

<sup>2</sup>Such a diversity of opinion was not peculiar to our country; it existed on the other side of the Atlantic. Feb. 29. Merchants in London, who had commercial relations with ours, petition the Lords of the Treasury, that the reimbursement for capturing Louisbourg may not be paid to New England until they establish the rate of redeeming their bills. They state that since the prospect of the Colonies' being paid for the expenses of such a conquest, there has been great speculation in their paper currency.

<sup>3</sup>In a circular written by order of the General Court March 5. to Connecticut, New Hampshire, and Rhode Island, about having Commissioners meet on the subject of applying the reimbursement of Parliament for taking and keeping Cape Breton, to redeem their bills of credit, we have the subsequent extract:—"There have been some proposals and endeavors, that the payment might be made by debenture. Nothing seems so likely to prevent it, as applying the money granted, to redeem and finish our fatal paper currency, so absolutely necessary to the establishment and preservation of justice in our

<sup>1</sup> Hutchinson.

<sup>2</sup> Massachusetts Archives — Pecuniary, vol. iii.

<sup>3</sup> Massachusetts Archives — Colonial, vol. v.

1748. commerce, and so much for the interest of Great Britain,  
as well as ourselves."

This absorbing topic is viewed by distant friends of our Province with mingled feelings of hope and fear. Among them is its late Chief Magistrate, Mr. Belcher, now Governor of New Jersey. <sup>1</sup> He writes to Mr. Minot; "I am glad Massachusetts is like to be retrieved from her bankrupt circumstances by the interposition of the British Parliament, in a just reimbursement of their charge in the conquest of Cape Breton. So shall my dear native country again sit as a queen among the Provinces."

Oct. <sup>2</sup> His Excellency has the ensuing passages in his speech.

27. "By advices I have received from Great Britain, I have reason to think, that the Bill transmitted to your agent, containing a scheme for sinking the whole paper currency of this Province by means of the late reimbursement, voted by Parliament, and which passed both Houses of the last Assembly, has induced his Majesty's ministers, to whose consideration the manner of paying the money voted for the benefit of the Colonies concerned is referred, to determine it shall be paid in such manner as will put an end to the paper currency in New England." Various schemes have been offered by gentlemen in England, to the Government there, on this subject. He suggests to the General Court that they had better send despatches to be in London by the session of Parliament early in the winter, so as to prevent the adoption of any method injurious to this Province.

Nov. <sup>3</sup> Still impressed, that their plan for closing the paper  
2. currency in Massachusetts could not be fully accomplished while adjacent Colonies did not coöperate with them, our Legislature hear a report of their committee for another invitation for delegates from those Governments to meet in Boston relative to the subject.

Respecting the grant made by Parliament, Mr. Shirley  
14. states in his <sup>4</sup> message, that this sum, at the rate of £10

<sup>1</sup> Governor Belcher's Letters.

<sup>2</sup> Massachusetts Provincial Records.

<sup>3</sup> Massachusetts Provincial Records.

<sup>4</sup> Journal of the House.

in bills, for £1 sterling, will draw in all their paper money, 1748. except £50,000 of the last emission. Nov. 22.

Desirous that the plan here mentioned, may be executed as soon as possible, the General Court <sup>1</sup>petition the Lords Commissioners of the Treasury in London, that the reimbursement may be forwarded with all despatch. They express their expectation, that this sum will close the paper currency in their jurisdiction, and will substitute gold and silver.

<sup>2</sup> Notwithstanding the repeated efforts to have the Colonies bordering on Massachusetts adopt the mode of having only hard currency, Governor Shirley says he despairs of thus gaining them over, and advises the Court to go forward, though under so great an embarrassment. Dec. 22.

<sup>3</sup> Some merchants of Boston memorialize the Assembly, 1749. desiring that the Bill before them for terminating the currency of notes with the funds expected from London. Jan. 23. They observe, that they do this not only because they really wish for it, but, also, to show, that representations, as though they were opposed, were not correct. Other merchants of the same place request that the Bill may be published, and carefully considered, before it is passed. The latter petition, however, did not prevail.

<sup>4</sup> A law is made for the redemption of the Province bills of credit. It requires all this paper to be exchanged at the treasury by March 31, 1750, at the following rates:— For forty-five shillings in bills of the old tenor, one piece-of-eight or a dollar; for eleven shillings and three pence of the middle and new tenor, the same coin; and so in proportion for greater or less sums. If any of such bills are kept back for a year after the time designated, they are to be irredeemable. The enactment further provides, that as the paper system is to be dispensed with, all public and private demands contracted after the date, fixed for recalling the treasury notes, shall be accounted as payable in silver coin—estimated at 6/8 for an ounce. It appoints that what the specie, to be received 26.

<sup>1</sup> Mass. Archives—Pecu., vol. iii.

<sup>2</sup> Mass. Provincial Records.

<sup>3</sup> Mass. Archives—Pecu., vol. iii.

<sup>4</sup> Mass. Provincial Records.

1749. from England, lacks of paying these notes, shall be cancelled by a tax. It appoints a penalty for taking or passing any of the New Hampshire, Connecticut and Rhode Island notes. It demands a renewal of the practices for innholders and all officers of town and state, with retailers, to take oath for carrying such a clause into effect. The form used in this respect, follows:—"You, A. B., do in the presence of God, solemnly declare, that you have not, since the last day of March, 1750, wittingly and willingly, directly or indirectly, either for yourself or any for or under you, been concerned in receiving or paying within this government, any bill or bills of credit of either of the governments of Connecticut, New Hampshire or Rhode Island. So help you God."

Jan.  
27.

<sup>1</sup> That this Act may have its proper effect, the Legislature petition his Majesty respecting the adjacent Colonies. They say—"nothing can prevent the measures we have taken for these purposes, proving effectual, unless it be the currency of the paper bills of your Majesty's other governments, which are unhappily interwoven with our bills."

28.

<sup>2</sup> Aware that such a law bore the aspect of severity towards New Hampshire, Rhode Island and Connecticut, the Governor writes an explanation of its reasons to the last Colony. He says—"We could not avoid prohibiting the currency of the bills of your governments among us. Past experience having convinced us, that it is impracticable to keep silver currency among us, while a paper currency is continued. It was with great reluctance that we agreed to any paragraphs in this Act, which affected the bills of other governments, especially those of Connecticut, of whose good disposition we are so well apprized, as to make no doubt of their contributing their utmost efforts."

31.

The Act, being so completed, is immediately forwarded by the Secretary, to William Bollan, the Province agent, for the Royal sanction. This gentleman, knowing that a bill was pending before the House of Commons, relative to the Colonies' legislation on currency, petitions, that it may be arrested as inconsistent with their Charter rights,

April  
3.

<sup>1</sup> Mass. Provincial Records.

<sup>2</sup> Mass. Archives—Pecuniary, vol. iii.



and with the privileges of Englishmen. He allows that it is good to have their paper money stopped, but he desires that it may be done by themselves. <sup>1</sup> He again repeats similar sentiments on this subject to the same Body. He says that if they pass the bill, "it will take from the inhabitants of the Massachusetts Bay, not only the special powers and privileges they enjoy by their Charter, but likewise all the liberties, they hold in common with other British subjects."

1749.

June 6.

<sup>2</sup> As a sign of the great depreciation of bills, we have the succeeding distich, which, though not remarkable for poetic excellence, tells a true tale—

"The country maids with sauce to market come,  
And carry loads of tattered money home."

<sup>3</sup> By a communication from Governor Jonathan Law to Governor Shirley, it appears that the Assembly of Connecticut had voted to redeem their bills and levy three rates in 1751-2-3, which will be sufficient to call them all in, "and all fines, fees and penalties are to be established in Proclamation money."

13

<sup>4</sup> Another communication is made by Mr. Bollan, to our Legislature, that their Act for drawing in their paper by means of the money expected from the treasury in London, has passed the Parliament, and was approved by the King on the 28th.

30.

<sup>5</sup> Expressive of disinclination on the part of many to the redemption of our paper money with specie, until the adjacent Colonies come into a similar agreement, is the passage of a letter from Jeremy Allen of Boston to Samuel Waldo in London. It is—"they now join in the full cry to postpone the exchange of the paper for dollars till such time as the neighboring governments come in."

Sept.

<sup>6</sup> Governor Shirley being on the point of sailing for England, and deeply anxious for alleviating the miseries

11.

<sup>1</sup> Mass. Archives—Foreign Relations, vol. i.

<sup>2</sup> Ames's Almanac.

<sup>3</sup> Mass. Archives—Colonial, vol. v.

<sup>4</sup> Mass. Archives—Foreign Relations.

<sup>5</sup> Massachusetts Archives—Letters, vol. iii.

<sup>6</sup> Massachusetts Archives—Colonial papers. Boston Weekly Post Boy.

1749. of a suspected and depreciated currency, writes to his Lieutenant, Spencer Phips:—"You will excuse me if I am more than ordinarily solicitous, that nothing be done in my absence to hinder the effect of the Act for drawing in the bills of credit of the several denominations, which have at any time been issued by this government and are still outstanding, and for ascertaining the rate of coined silver in this Province for the future. Upon which, the honour of the government and the prosperity of the Province do so much depend. For besides his Majesty's express instruction not to repeal any Act without his allowance, it appears that his Majesty and his ministers have relied upon the faith of this government, plighted in this Act, that they will use the money, granted by Parliament for putting an end to the paper currency in the manner provided by that Act. And it seems as if it were in this confidence, that the money is at last put into the hands of our agent."

Sept. 18. <sup>1</sup> The Evening Post of Boston, informs the public that the specie, paid by the Crown, had arrived, under the care of Mr. Bollan. While the General Court were debating the question, whether they would redeem their paper with this money, the inhabitants were generally indifferent, because they viewed the plan as chimerical, and not likely to be realized; but when they heard that Parliament had granted the reimbursement on condition that it be applied for such a redemption, discontent began to show itself. This money consisted, 653,000 oz. of silver and 10 tons of copper. There is reason to believe, that this was more coin than had ever been in Massachusetts before at the same time. Such a remittance and other subsequent ones, in connection with the prohibition of bills of credit here, gave our Province the name of the "hard money Colony."

Nov. 23. <sup>2</sup> His Honor congratulates the Council and House on the arrival of the reimbursement. In reference to this sum, he remarks—"Whereby we are enabled in a good measure

<sup>1</sup> Boston Evening Post. Minot. Hutchinson.

<sup>2</sup> Massachusetts Provincial Records.

to pay off the great debt contracted by the charge of the late war, and now lying on this Province. And with the blessing of God upon our wise and faithful management of this advantage, deliver this Province from the evils and mischiefs (particularly the injustice and oppression) arising from the uncertain and sinking value of the paper medium." He advises the Court to fulfil their law for so desirable a purpose. 1749.

<sup>1</sup> Though absent, Governor Shirley takes a deep interest in our pecuniary concerns. Let his own words, as sent from London, be given :—"I look upon getting an Act of Parliament passed, as early as possible, for bringing the neighbouring Colonies under the like obligation with ourselves, to put an end to their paper currency, to be of the utmost importance at this crisis ; as it seems to be the only sure method of preventing Rhode Island, New Hampshire and Connecticut from drawing away our silver coin in exchange for the Massachusetts bills, which they are and shall be possessed of, and leaving their bills to sink in the hands of the people of our own Province—an evil, which, besides the loss it will bring upon our people, in whose hands those bills must finally sink to nothing, may so far lessen our silver, as to make it insufficient for a medium within the Province." He adds—"The gentlemen of the Council and House of Representatives may therefore be assured of my unwearied endeavours to guard against those mischievous consequences to the Province, by forwarding, (as far as in me lies,) a suitable Act of Parliament for that purpose, towards preparing the way, for which I have already waited upon the Speaker of the House of Commons, who was pleased to tell me, that he expected to hear from me soon in Parliament upon the affair of the paper currency ; that he should be extremely glad to know my sentiments upon it ; and that I might the more fully draw them up, proceeded to acquaint me with the objections insisted upon against putting an entire end to the issuing of bills of credit in New England, and particularly with his own difficulties in that point, with

Nov.  
28.

<sup>1</sup> Massachusetts Archives—Colonial, vol. v.

1749. his sentiments in general upon the subject of a paper currency in the Colonies. This took up near an hour, and I was surprized a little to observe by what dropt from him, that two or three principal gentlemen, whose assistance I thought might be depended upon for abolishing paper currency in New England, seemed of late to have slackened in their sentiments upon it. However, I shall proceed to draw up my sentiments upon the state of the New England paper currency in the most explicit manner for the Speaker, and to frame a proper bill to accompany them, both of which shall be communicated likewise to those gentlemen, I have before hinted at. And I have great reason to hope, that what I shall offer, may have some influence with the Speaker and Board of Trade, and be duly considered in Parliament. In the mean time, to prevent the mischiefs which may arise for want of this, till it can be effectually done, I shall endeavor to obtain his Majesty's leave for the Lieutenant Governor to consent to an Act of Assembly for protracting the time, stated by law, for calling in the money, as is proposed in your letter. I shall also endeavour to obtain his Majesty's leave for issuing a proper quantity of bills of a low denomination upon the foot proposed in your letter, to supply the Province with money to serve in common dealings for the petty articles in the daily necessities of life; concerning which, I should have been glad if you had specified the proposed denominations of the bills, and mentioned the quantity of them requisite for the Province's service."

1750. Jan. 15. <sup>1</sup> An expectation of having bills exchanged for specie, led many to hoard them up. This made it very difficult for the Collectors of taxes to get the dues for the Province. Therefore they are allowed more time to settle their demands.

18. <sup>2</sup> As deductions had been made from the reimbursement, paid from the Royal exchequer, and specified in the Act of our Court for redeeming their notes, another law is passed to confirm such an Act.

<sup>1</sup> Massachusetts Archives—Pecuniary, vol. iii.

<sup>2</sup> Massachusetts Provincial Records.

<sup>1</sup> A Committee of the Legislature report, that in order to prevent farthings and coined silver, and gold, from passing at a proportionably higher rate than a milled dollar at 6<sup>s</sup>, £3,000 worth of small bills, denominated, 1<sup>d</sup>, 2<sup>d</sup>, 3<sup>d</sup>, 4½<sup>d</sup>, 6<sup>d</sup>, 9<sup>d</sup>, 18<sup>d</sup>, be struck off. This proposal is accepted. 1750. Jan. 27.

<sup>2</sup> As an indication how much the public mind was drawn to the subject of converting our paper currency into that of specie, the ensuing lines are quoted. They are from a dialogue, entitled, "A Touch of the Times." The personæ are Honestus, a country trader, and Politicus, a merchant— Feb. 1.

## HONESTUS.

"Why, Sir, to tell the truth I'm come  
To bring some paper trash to Town  
To pay my debts; for I do fear  
I shan't be able 'nother year."

## POLITICUS.

"When once the Dollars shall come out,  
Ther'l be no want of money then,  
Eager you'l catch the glitt'ring Coin,  
And bless the golden era when  
This paper trash is no more seen."

## HONESTUS.

"Ah, Sir, we hear the Province bills  
Do lye recluse within the tills  
Of some great men, to wait the time  
The dollars shall the same redeem.  
And what is worse than all, 'tis said  
To foreign lands they'l be convey'd.  
Then what's our fate—the silver gone—  
The paper burnt—and we undone."

<sup>3</sup> Apprehensive from the unsettled condition of their currency, lest coin may rise above its real value, as proportionate to Spanish milled pieces-of-eight at 6<sup>s</sup>, the Legislature order the succeeding rates to be henceforth established among the inhabitants:—A guinea, 28<sup>s</sup>; an April 2.

<sup>1</sup> Mass. Provincial Records.<sup>2</sup> Boston Weekly News Letter.<sup>3</sup> Massachusetts Provincial Records.

1750. English crown,  $6/8$ ; an English shilling,  $1/4$ ; a double johannes or gold coin of Portugal, £4 16<sup>s</sup>; a moidore, 36<sup>s</sup>; a pistole of full weight, 22<sup>s</sup>; three English farthings, 1<sup>d</sup>; and parts of these coins at a similar rate; old tenor bills to be paid at the rate of 45<sup>s</sup> for 6<sup>s</sup> of specie; and those of the middle and new tenors at  $11/3$  for 6<sup>s</sup>. <sup>1</sup> Commissioners <sup>2</sup> for redeeming the Province bills, commence their labor. Orders from them on the Treasurer, are to be paid, so as to have 3<sup>d</sup> of copper half-pence and farthings on every pound, and so proportionably to the sum exchanged; and if any desire, they can have 3<sup>d</sup> in bills for small change at the same rate, with pillared and milled money. They are empowered to receive of residents in Massachusetts, the notes of Connecticut, Rhode Island and New Hampshire, who take oath, that they had such money before April, 1750, and that they have not purchased them of people belonging to those Colonies with silver, since March 30 of the same year. In case that bills of such Colonies be presented for commutation and belong to their inhabitants, the Commissioners may change them for Massachusetts bills, if there be enough to do this, and these or silver shall be handed to the persons, who offered the paper of those Colonies.

April 26. <sup>3</sup>A disciple of Thalia, in anticipation of much greater benefits from the change making in the currency, than were actually realized—and this is the experience which results from the most of temporal anticipations—thus gives scope to the feelings of his inspiration:

“And now, old tenor, fare you well,  
No more such tattered rags we’l tell.  
Now dollars pass and are made free,  
It is a year of Jubilee;  
Let us therefore good husbands be,  
And good old times we soon shall see.”

1751. <sup>4</sup>It having been discovered that pistareens and larger Jan. 14. and smaller pieces of the same stamp, had been imported

<sup>1</sup> Exchange Books.

of the House. John Quincy and

<sup>2</sup> James Allen, Andrew Boardman, Ezekiel Cheever, of the Council.  
James Russell and Thomas Foster, <sup>3</sup> Boston Weekly News Letter.

<sup>4</sup> Massachusetts Provincial Records.

among the specie from London, and paid out of the treasury for Province notes, an order is issued, that all such money considered of greater alloy than others, shall be retained until further action of the Court. Here we are introduced to coins, which became current and are familiar to the memory of many. 1751.

<sup>1</sup>To suppress the outbreakings of disaffection with the exchanging of the Province bills by order of the government, a Riot Act is passed. This law resembled one of Parliament, with some change in the penalty.

The Treasurer is instructed to pay out hammered or cobb money at 6/8 oz. with milled dollars, in proportion to the amount of each in his hands. While this process of redemption is going on, money is very scarce. A memorial is laid before the Assembly, stating that its subscribers are unable to obtain either paper or coin, for their work or wares, and therefore cannot pay their taxes; for which their property is seized and vended from one fourth to one tenth of its value. For such reasons they pray, that relief may be granted them in the premises. Feb. 1.

<sup>2</sup>Edward Cornwallis, Governor of Nova Scotia, had applied to Massachusetts for aid against the Indians in his neighborhood. Lieut. Governor Spencer Phips, sends him the succeeding reply:—"I am heartily sorry that nothing could be obtained at this time from our General Court. The difficulties we are under by reason of the change of our currency, it is thought had some influence. It is the opinion of the wisest and best men among us, that the change of the medium from bills of credit to money, will be much for the general benefit of the Province; yet there are great numbers of people that are much too strongly attached to the paper currency, and it happening at this time that the bills being mostly called in, and the silver not yet circulating in the several parts of the Province, a great stagnation of business ensued. And at the very time, when your affair was under consideration, we had rumours that many hundreds of people were coming to the General Court with a petition for making more 27.

<sup>1</sup> Mass. Provincial Records.

<sup>2</sup> Mass. Archives—Colonial, vol. iv.

1751. paper money, and about three hundred men were actually assembled within less than three miles of the town. However, all the effect of it was, the passing a good wholesome law against riots, which could never before be obtained." Another passage in this letter, marked over with lines of ink, shows the public feeling as to another topic. It follows:—Many "are dissatisfied with the present remarkable decay of Trade, which is supposed to arise from the breaking off our correspondence in a great measure with our neighboring Colonies, by interdicting the passing of their bills among us, and their receiving our silver in exchange for the Massachusetts bills in their hands, for we are now gotten within a few weeks of the very crisis of this great affair, when by law, bills of credit are no longer to pass among us."

April 12. <sup>1</sup>To put down the various demonstrations of opposition to the plan for exchanging the paper currency, both Houses give their immediate attention, as in the ensuing case:—Robert Howland of Duxborough, and Fobes Little of Little Compton, "are suspected of publishing and dispersing a printed paper, containing sundry expressions, tending to bring into contempt and subvert the constitution of this government." From depositions in reference to this subject, these persons were concerned in having verses printed in Rhode Island, "containing a lamentation for the death of old tenor, having very hard reflections on the General Court." That these individuals might be made an example so as to deter many others, who sided with them, the Representatives and Council vote, that Mr. Phips issue a Proclamation, offering a suitable reward for their apprehension. A great <sup>2</sup>cause of prejudice against the redemption of paper currency and its cessation was, that those who depended on their labor for support, suspected, that while the wealthy would hoard up the silver and gold, they should have none of it, and should be worse off than under the system of Province banking. This led to several tumultuous assemblies in and near Boston. A large number of people from Abington and

<sup>1</sup> Massachusetts Archives—Pecuniary, vol. iii.

<sup>2</sup> Hutchinson.



other towns came to the metropolis with riotous intentions. They expected to be joined here by a large party. But they were disappointed. Their courage cooled, and their purpose was relinquished by the hoots of boys and servants, who drove them back. 1751.

To supply a medium of exchange, a bill passes for the Treasurer to issue certificates, on interest, to be paid by December 31, 1751. His Honor declines signing it, because such paper is not legal tender, will drive specie from the market, become reduced in value, promote injustice, and is contrary to Royal instructions. For the same reasons, Andrew Oliver and Thomas Hutchinson had recently dissented from a vote of the Council on this subject. These gentlemen had a strong repugnance to any means for supplying the want of currency, which had any resemblance to the paper system, from which they hoped the Province would entirely extricate itself. April 24.

On further consideration of the matter, with some modification, Mr. Phips consents to the issue of treasury notes for money, borrowed for the Province on interest. This precedent became a practice. Similar securities were continually issued to meet the disbursements of the government. Though it passed in business, on special agreements, yet it was not allowed to be legal tender. It was emitted from the treasury till the Revolution, and was then soon renewed under a different administration. 26.

The Commissioners appointed to exchange the public notes for specie, close their labors. They redeemed £50,705 6<sup>s</sup> 8<sup>d</sup> in bills of the old tenor, £38,431 7<sup>s</sup> of the middle, and £1,703,099 11<sup>s</sup> 5<sup>d</sup> of the new tenor, making an amount of £1,792,236 5<sup>s</sup> 1<sup>d</sup> at the rate of about one in specie for ten of paper. This was nearly all that was out. For years, petitions continued to be laid before the Legislature, that parcels of them discovered in old desks, bottoms of leather chairs, and other private places of deposite, might be allowed and exchanged. June 3.

Thus the conquest of Louisbourg not only wrested a strong hold from enemies, but, also, furnished the means of freeing this Province from one of its most prolific

1751. sources of anxiety, contention, crime, and calamity. The emission of notes from the Treasury, whether as loans, or payments of annual expenses of Government, was an incessant cause of difficulties between the Chief Magistrate and popular branch of the Legislature. If ever men had cause to exclaim, in reference to paper currency, "The love of money is the root of all evil," it was Dudley, Shute, Burnet, Belcher and Shirley. This proved to them an opponent of Brierius power. It was among the principal causes, which raised the question of Parliamentary jurisdiction over this Province, as well as others, and paved the way to an open rupture with the parent government. In producing such an important alteration in the pecuniary concerns of Massachusetts, Thomas Hutchinson stood in the front rank, and acted a prominent part. <sup>1</sup>The remark he subsequently made to a <sup>2</sup>correspondent in England, was amply justified by his conduct. "I think I may be allowed to call myself the father of the present fixed medium, and, perhaps, have a natural bias in favour of it."

One fact, derived from a review of the paper money system to this period, is that large and frequent emissions of it, not redeemable till several years, and then not punctually paid, is no addition to the real medium of trade, which existed when such a course commenced. A prominent reason for this inference is, that as the bills of credit were thus multiplied, so they diminished in value, and drove almost all the coin from the market. <sup>3</sup>The tendency of such paper, with regard to itself, is much like what any article of commerce has on its own price, when thrown out for sale in too large quantities. In Holland, it was formerly the case, that when there was too large an importation of spices, it was found expedient to destroy part of them, so that the remainder might bring more than the whole would, if preserved.

In 1740, Virginia, perceiving that their tobacco, which

<sup>1</sup>Massachusetts Archives—Hutchinson's correspondence.

<sup>2</sup>A letter of his to a friend in

England, dated Dec. 14, 1761.

<sup>3</sup>Discourse on Colonial currencies.

constituted part of their currency, began to depreciate in value, passed a law restricting 1,000 pounds of it annually, to each "tythable." For a similar purpose, Maryland, in 1734 and 5, ordered 150 pounds of it "per rateable," to be consumed. Indeed, it must be plain to every observing mind, that excess in paper money, emitted on any promises and securities, like excess in every thing else, is injurious to community just in the proportion, that it is more than their necessities and conveniences require. 1751.

<sup>1</sup> That the American Colonies might not fall again into the course they had done, in respect to issues of bills of credit, Parliament enacted a law. This instrument forbid such money to be passed, except for current expenses of the Government each year, and of invasion by an enemy; but never as a legal tender for debts. That its requisitions might be complied with, any Governor who should consent to a rule of different signification on this subject, should be dismissed from office, and ever after be ineligible to public employment. June 25.

While this subject was under consideration, able and interesting memorials against such a statute were presented by agents of New England. It was deprecated by the people here, not so much for its immediate purpose, as for its relative influence to bring them more under the control of the Crown, and to impair the remaining liberties of their Charter.

<sup>2</sup> Relative to such a statute, Mr. Bollan writes to our Representative. "The paper currency Bill was attended with great difficulties. I had conceived hopes, that a good Bill would have been agreed on before it was moved in the House; but the design, which was at first concealed, of putting, by Act of Parliament, the credit of the Colonies wholly under the power of an Instruction, prevented it; or, at least, it appeared to me, this was the chief reason for some of the principal managers proceeding as they did. This design, which had, I am satisfied, been formed by some persons of consequence, July 12.

<sup>1</sup> Journal of the House of Commons.

<sup>2</sup> Massachusetts Archives — Foreign Relations, vol. i.

1751. was conducted with great art. When the Bill in 1748 was brought into the House, for enforcing the King's orders and instructions, that being brought against all the Colonies, and to enforce all the King's orders and instructions whatsoever, whereby the Constitution of the Colonies would, I think, have been wholly subverted, and a despotic power vested in the Crown. That was plainly such an unconstitutional attempt, that it could not be maintained and supported, when fully explained and laid open; whereas this Bill, brought in against part of the Colonies, was to put only one single article under the King's instruction, and the King, by his prerogative, having greater power over money, than over most other matters, and bills of credit having been used in the Colonies as money, it was apprehended, that this might more easily pass, and being once passed, would serve for introducing, by degrees, the King's instructions to control other articles, and so would have been a very dangerous precedent. It was moreover urged, that there had been great abuse in this article, in particular, in the Colonies, and that they had disregarded the orders issued upon address to his Majesty from Parliament, and there was a necessity of laying a restraint on the Colonies, and, also, of reposing a trust somewhere; and that it could not be so well placed any where in this case, as in the Crown. Thereupon, I thought it my duty to oppose the Bill to the utmost."

Notwithstanding the exertions of our Government, as well as that of England, to exclude bills of other Colonies from ours, still they are not altogether effectual.

Oct. 9. <sup>1</sup> In reference to the recent law of Parliament concerning the currency of this country, Mr. Phips writes as follows to the Lords of Trade. "I have received the Act of Parliament for regulating the currencies of the Governments in New England, and I am glad I can inform your Lordships, that there is a general disposition in the inhabitants of this Province to conform to it, which I hope will continue, unless the example of any of the other Governments in evading the force and intent of the Act should prevent it."

<sup>1</sup> Massachusetts Archives — Letters, vol. iv.

<sup>1</sup> As evidence that the products of the Commonwealth 1751.  
are still current at the Treasury for taxes, a committee, Oct.  
consisting of the eldest Counsellor from each County, 10.  
and the Treasurer, are appointed to set the prices of such  
articles.

Having given the <sup>2</sup> rates at which the bills of credit  
were appraised, to 1727, we now proceed to offer the fol-  
lowing.

|      | Bills were in }<br>proportion of } |                              | { for one ounce<br>of silver. |
|------|------------------------------------|------------------------------|-------------------------------|
| 1728 |                                    | 16/6, 17/, and 18/,          |                               |
| 1729 | . . . . .                          | 19/, 19/6, 20/, 21/, 22/     |                               |
| 1730 | . . . . .                          | 21/, 20/ and 19/             |                               |
| 1731 | . . . . .                          | 18/6 and 19/                 |                               |
| 1732 | . . . . .                          | 19/6, 20/ and 20/6           |                               |
| 1733 | . . . . .                          | 21/, 21/6, 22/, 22/6 and 23/ |                               |
| 1734 | . . . . .                          | 24/, 25/, 26/, 26/6 and 27/  |                               |
| 1735 | . . . . .                          | 27/6                         |                               |
| 1736 | . . . . .                          | 27/, 26/6                    |                               |
| 1737 | . . . . .                          | 26/6, 27/                    |                               |
| 1738 | } . . . . .                        | 28/, 29                      |                               |
| 1739 |                                    |                              |                               |
| 1740 |                                    |                              |                               |
| 1741 | } . . . . .                        | 28/                          |                               |
| 1742 |                                    |                              |                               |
| 1743 |                                    |                              |                               |
| 1744 |                                    |                              |                               |
| 1745 | . . . . .                          | 35/, 36/, 37/                |                               |
| 1746 | } . . . . .                        | 37/, 38/, 40/                |                               |
| 1747 |                                    |                              |                               |
| 1748 |                                    |                              |                               |
| 1749 | } . . . . .                        | 60/                          |                               |
| 1750 |                                    |                              |                               |
| 1751 |                                    |                              |                               |
| 1752 |                                    |                              |                               |

<sup>3</sup> With regard to the bills of other Colonies, the Lieu- Dec.  
tenant Governor expresses himself in the subsequent 27.

<sup>1</sup> Journal of the House.

<sup>2</sup> See page 83.

<sup>3</sup> Massachusetts Provincial Rec-  
ords.

1751. terms. "I must continue to recommend to you, to keep a constant eye upon the state of the Treasury, and of the current money or medium of trade of the Province. With respect to the latter, I have been informed, that some persons venture to run the risque of the penalty of the law, and presume to receive and pass the bills of credit of the neighboring Governments; which mischievous practice, if in any measure connived at, will probably spread, and be attended with very bad consequences. I have done what I thought necessary, on my part, and with the advice of his Majesty's Council, have issued a Proclamation, requiring all whom it concerns, faithfully to do their duty in prosecuting all offenders against this Act."

1752. <sup>1</sup> A question, productive of many debates, of prolonged Dec. legislation, and many spirited remarks, begins to be 16. agitated in the General Court. It was, whether gold should be a legal tender, as well as silver. Its settlement will be mentioned in its chronological place.

1753. In reference to coins which had been sent with the April reimbursement from the Royal Exchequer, their value is 6. now appointed. Being whole and half pistareens, they are to pass at the rate of  $14\frac{1}{2}^d$  for the former.

11. <sup>2</sup> Though the Province paper had closed its currency as a legal tender in traffic concerns, yet it was not all redeemed at the Treasury. The officer of this department shows by his account, that £131,996 3 9 of it, in old tenor, and equal to £17,599 9 9, is still in the hands of the people. In this connection, he states, that a committee of the Legislature had burnt, at the Town House, such paper to the amount of £1,792,236 5 1. To those who earnestly sought the extermination of such currency, it was a fire of joy—but to the many, who cast longing and lingering looks for its continuance, it was a fire of sorrow.

13. <sup>3</sup> Not only was this imputed occasion of Provincial distress—though it appeared to be, in a great measure, a necessary evil—thus put away from being an object of

<sup>1</sup> Journal of the House.

<sup>2</sup> Journal of the House.

<sup>3</sup> Journal of the House.

temptation, but also, the very plates, which ushered them upon community, were formally destroyed by a Legislative committee. 1753.

<sup>1</sup> Governor Shirley, who had great influence in changing the character of the currency, makes the ensuing remarks. Dec. 5.  
 "It is a great pleasure to me to find the happy effects of the reimbursement granted by Parliament of our charges, expended in the reduction of Cape Breton, which hath brought us back to a silver medium, the only natural and genuine one, both for private commerce and the public business of the Government, and delivering us from the many mischiefs attending a paper currency, especially as it has been of late years unhappily managed in the several Provinces and Colonies of New England. Yet I am much concerned to find, that notwithstanding all the bills of credit ought to have been long before this time, drawn in and exchanged for silver, yet some of them are still suffered to be outstanding. I must therefore recommend it to you to fix as short a period as conveniently may be, from this time, for putting an end to the currency of the bills still outstanding, and to concert proper measures for keeping the silver and gold within the Province. Among other methods for that purpose, I would recommend to you to give some encouragement to the raising of wheat, and other English grain within the Province, as our purchasing it from the neighbouring Colonies, contributes greatly towards draining us of our coin."

<sup>2</sup> To quicken the memory of those who encouraged the passing of the notes of adjacent Colonies, as to the prohibition of such a practice, an Act is renewed to prevent this sort of currency. Such preventives were repeatedly adopted by the Assembly till the Revolution. 27.

<sup>3</sup> As the last particular mention of the Province bills of credit, we have a published notice of Harrison Gray, Treasurer. He states that all of them still out, must be brought to him for being exchanged by the first day of next June, or be forfeited; and if subsequently passed, a 1754. Jan. 29.

<sup>1</sup> Journal of the House.

<sup>3</sup> Boston Weekly News Letter.

<sup>2</sup> Journal of the House.

1754. fine is to be imposed of £10 for each offence. He also notifies, that the quarters, halves, and three quarters of such paper must be presented at the Treasury by the first of the succeeding March, or else be irredeemable.

Dec. 10. <sup>1</sup>Occasionally the effects of the Provincial banking system come before the Assembly. They order, that, as lands and buildings in several counties are still mortgaged for loans, and a settlement of these contracts not made as expected and agreed, the trustees are instructed to sue the debtors.

1755. Jan. 9. <sup>2</sup>Having no paper medium, except Province securities, and there being little of other money in circulation, the Government find it very difficult to realize specie for their notes. Governor Shirley observes to the Representatives, "For remedying this evil, I would earnestly recommend to you, gentlemen, that such monies as persons may advance may be exempted from being taxed in the usual assessments. This has been the constant practice of the Parliament of Great Britain, and has been found by long experience, to be a happy expedient for seasonable supplies of money in the public exchequer there."

March 27. <sup>3</sup>As large quantities of counterfeit half pence, of base metal, had been imported, and, with French and other small copper coin continually increase, a committee are ordered to report measures to prevent such practices.

29. <sup>4</sup>Finding it impracticable to hire what silver they needed, on the faith of their notes, Government vote for their agent in London to negotiate a loan of £23,000 sterling, for six years, at lawful interest. They were constrained to adopt this method several times, in order to meet their engagements.

June 13. <sup>5</sup>By an Act for supplying the Treasury, it appears, that the people are still allowed to have their agricultural and mechanical products pass for Provincial rates. For such an exchange, "good merchantable Isle Sable Cod Fish," is also taken.

<sup>1</sup> Massachusetts Archives — Pecuniary, vol. iv.

<sup>2</sup> Journal of the House.

<sup>3</sup> Journal of the House.

<sup>4</sup> Journal of the House.

<sup>5</sup> Massachusetts Archives — Pecuniary, vol. iv.



<sup>1</sup> Gen. William Johnson, commander of the forces at 1755. the Westward, intended to go against Crown Point, writes <sup>June</sup> to Governor Shirley. Speaking of a grant made by Mas- 19. sachusetts, he remarks, "The £600 mentioned for the Indian service, is not specified to be sterling, or what currency. I make no doubt it is the former, and that the word sterling is an omission. In this you will please make me positive." This passage shows how hard it was for an Englishman to have the same views of currency, as our Provincials. These well understood, that, unless sterling was used in any vote for money, it of course meant New England, or lawful money.

<sup>2</sup> Still urged by Governor Shirley to rally their almost 1756. exhausted energies, and raise the funds, impèriously <sup>Feb.</sup> called for by expenses of the war, the House address a 5. message to him in a desponding tone, which shows that they found it extremely hard to obtain money. Their language is, "When the Province lay under a heavy load of debt, contracted on account of the late expedition to Kennebeck, the two Houses notwithstanding readily engaged in the expedition to Crown Point, which has so much increased the debt of the Province, that its inhabitants are ready to sink under the burden of taxes hereby brought upon them; and the Government have so stretched their credit, that they even despair of borrowing money sufficient to pay off their troops, lately returned from that expedition."

<sup>3</sup> His Excellency replies, that, however the funds in- 14. trusted to his care by the Crown for carrying on the war, were never intended to be loaned to any Colony, yet, seeing the necessity of the case, he would venture to let Massachusetts have £30,000 sterling, to be secured by the taxes of the two succeeding years. This proposition was readily adopted. While thus taking on themselves repeated burdens of debt, the authorities of this Commonwealth, as those of others, were encouraged, that the Royal exchequer would refund the bill of costs.

<sup>1</sup> Massachusetts Archives — Letters, vol. iv.

<sup>2</sup> Journal of the House.

<sup>3</sup> Journal of the House.

1756. <sup>1</sup>In accordance with the earnest expectation of the following recipients, a warrant is issued from his Majesty's

March

3. Council for New England, with New York and New Jersey, to receive £115,000, "as a free gift and reward for their past service," against the French. Of this <sup>2</sup>amount Massachusetts was allowed £54,000. Thus an anticipated source of relief is opened for this Province.

<sup>3</sup>So much had the metropolis, in common with other sea ports, decreased in property and population, and consequently experienced great want of money and other means to meet their accumulated taxes, they pray the Legislature to order a new valuation of estates throughout the Province. A Bill is brought in accordingly.

31.

April  
17.

<sup>4</sup>The General Court, in a letter to William Bollan, their agent in London, state several reasons why their proportion of the large amount, recently granted the Colonies by Parliament for military service against the French and Indians, should be greater. Among such reasons, is the subsequent one. "Notwithstanding the extreme difficulties of procuring money, yet we have not taken any step to a paper medium, but have borrowed our supplies of money and pay interest therefor at 6 per cent., whilst the other Governments have pushed out their depreciating bills, and an hundred pounds of their currency is not now worth so much as seventy-five were when the expedition began. At least, so far as we pay interest and they do not, we are entitled to a preference."

19. <sup>5</sup>Of the abundant notes issued by the Province exchequer to meet its other obligations, we give the ensuing specimen. Like its numerous similitudes, it is far from being a sign of fulness in the Provincial Exchequer. It is lothfully issued by the Government, because they have nothing better to meet the urgent claims upon them.

<sup>1</sup>Massachusetts Archives—Colonial, vol. v.

<sup>2</sup>New Hampshire had £8,000, Connecticut £26,000, Rhode Island £7,000, New York £15,000, New Jersey £5,000. The names subscribed to the warrant were Holles

Newcastle, G. Lyttleton, H. Furnesse.

<sup>3</sup>Journal of the House.

<sup>4</sup>Massachusetts Archives—Letters, vol. v.

<sup>5</sup>Massachusetts Archives—Pecuniary, vol. iv.

"Province of the Massachusetts Bay. 1756.

The day of 1756.

Received of

the sum of for the use and service of the Province of the Massachusetts Bay, and in behalf of said Province, I do hereby promise and oblige myself and successors in the office of Treasurer, to repay the said

or order, on or before the tenth day of June, 1758, the aforesaid sum of in coined silver of sterling alloy, at six shillings and eight pence per ounce, or in Spanish milled dollars of full weight, at six shillings each, with interest annually, at the rate of six per cent. per annum.

Witness my hand,

A. B., Treasurer."

This officer was allowed to give no such obligation, except for sums higher than six pounds.

<sup>1</sup>As consignees of money, granted by the Crown, Charles Apthorp and son, of Boston, write to Governor Shirley, that it has reached New York, and is there deposited in the Fort. Such tidings are exceedingly welcome. They are regarded as the harbinger of some alleviation to the great pressure in money concerns. Aug. 24.

<sup>2</sup>In reverting to the experience of the Province under the experiment of abstaining from the use of paper money, except its loan securities, his Honor, S. Phips, thus expresses himself to the House. "It has been much for the honor of this Government, that the several Assemblies, since the change of currency, have been careful to preserve the public credit." 1757. Jan. 6.

<sup>3</sup>Aware of the dark cloud resting on the pecuniary interests of the country, Governor Pownall gives advice to the Legislature, which he deems suited to the times. "I recommend, as your taxes are, and must continue (while the enemy thus prevail) very great and grievous, that you be not quite exhausted, to examine into the state of those Nov. 24.

<sup>1</sup>Massachusetts Archives—Pecuniary, vol. iv.

<sup>2</sup>Journal of the House.

<sup>3</sup>Journal of the House.

1757. resources, whence they arise, and that you establish the  
 ~~~~~ sure and lasting interest of the country on that trade,  
 which is founded in economy, and in the profits that arise
 1758. from your own produce, labour and exports.”

June 15. ¹ Referring to the same distressed state of affairs, the
 House and Council thus address the Chief Magistrate:—
 “Our burdens, your Excellency knows, are extremely
 great, and you have been pleased to put us in mind of the
 encouragement we have, that a proper compensation will
 be made us. We earnestly entreat your Excellency to
 represent to his Majesty our distressed case, and our ready
 disposition to exert ourselves to the utmost in his Majesty’s
 service; for if we should fail of relief, and our taxes be
 increased, our burdens must be insupportable.” Such
 recitals were yearly and truly made while the contest
 with the French continued.

Oct. 4. ² As an encouragement to the Province, the Governor,
 after adverting to the capture of Cape Breton, and other
 victories, informs the Assembly, that a repeated grant of
 £27,380 19 11½ sterling had been made to them by Par-
 liament, for its expenses in the war of 1756. Though
 such information gave the promise of speedy relief to the
 Province currency, yet for the want of suitable convey-
 ance, its remittance was long delayed.

1759. ³ However great and commendable exertion was con-
 March 12. stantly made by the Province authorities to keep the Treas-
 ury scrip at par, yet it had become depreciated in some
 degree. To prevent the continuance of an evil, so
 threatening to the welfare of community, a committee of
 the House are appointed.

19. ⁴ After continual hearings before the Legislature, the
 Land Bank is now brought up in a more particular man-
 ner. A statement is made, that notwithstanding several
 laws had been passed to close its concerns, yet they still
 remain unsettled. Many of the partners had died, had
 become insolvent, and moved out of the Province. It

¹ Journal of the House.

² Journal of the House.

³ Journal of the House.

⁴ Massachusetts Archives—Pecuniary, vol. iv.

appears, that £995 in the bills of this institution are unre- 1759.
deemed. It is enacted, that commissioners, to pay them, ~
and interest thereon, assess £3,000 on responsible partners,
and if these decline to pay in 30 days, they are to issue
executions against them.

¹ A letter is prepared for William Bollan and John Pow- Oct.
nall, as agents for transmitting the last grant to Massa- 9.
chusetts for its charges in the war. Its language follows.
“Such strenuous efforts, together with what the Province
hath done this present campaign, has so deeply plunged it
into debt, that the public credit can neither be maintained,
nor its inhabitants support the weight of their taxes,
unless their share in this grant be remitted as soon as
possible. I am therefore directed by the whole Court to
desire you to give all possible despatch to the affair, that
so greatly concerns this Province; and that you would
convert the money into Portuguese, or other good heavy
gold, or Spanish milled dollars, as from the price of the
two species in England, compared with the current rates
here, you shall find to be most for the interest of the
Province.” This was the sum, which Mr. Bollan advised
our Government, under date of August 16, 1758, he had
received.

Feeling that their case was a hard one, the ²stockhold- 1760.
ers of the Land Bank petition for a lottery to meet the Jan.
demands on them. They remark, that they “are now, 4.
and have been for many years past, under all manner of
uncertainty respecting their property.”

Among the various demonstrations of dexterous villany,
as to the medium of exchange, is that upon the hammered
coin. Ezra Taylor relates to the Assembly, that he
“discovered a wicked combination of sundry persons in
Southborough, in making and uttering of counterfeit
cobbs.”

³ There being a general sympathy in favor of the part- Feb.
ners in the Land Bank, who had long ago answered for 13.

¹ Journal of the House.

² The signers of the petition are
William Stoddard, John Ruddock,
Robert Auchmutty, Samuel Adams,

Jonathan Payson, Peter Chardon,
Samuel Reed, John Brown, William
Rue, and John Lee.

³ Journal of the House.

1760. their own shares, and also for those of many other delinquents, their request for a lottery is granted. It allows them to raise £3,000, with the addition of 12½ per cent. But it did not succeed as anticipated. It only neated, after much delay in its operations, £556 15 6. One great means of prolonging the settlement of this association's affairs, was the loss of most of their records, with those of the Legislature, in 1747.

June 20. ¹ As a full offset to the Treasury notes, given to meet the expenses of warfare in 1759, Parliament grants to this Province their proportion of £200,000 sterling.

Dec. 17. ² In view of rest from the taxes, toils, and miseries of a most energetic warfare—of better times for currency and trade—Governor Bernard gives scope to the feelings of his heart. He thus speaks to the Assembly:—"I think myself happy, that it has fallen to my lot to congratulate you from this seat, upon the glorious conclusion of the North American war, and the fair prospect that now presents itself, of the security of our country's being settled upon the most sure and lasting foundations."

1761. ³ With regard to the grants of Parliament for the charges April 7. of the war, the most of our authorities were strongly desirous that all of them should be transported in specie. Indeed, this sort of money was requisite to redeem the Government notes. So situated, they had been at great charges in getting over what had already come to hand.

Perceiving how this matter stood, Governor Bernard kindly mentions it to the Council and House. His observations follow. "If we look for the advantages which are to balance" the great cost of importing the reimbursement in hard money, "we shall find them all imaginary. They are not of the real value of one shilling. If there was any want of specie for circulation, it would be but a temporary convenience, and not a lasting gain, to introduce specie; and the want must be great to justify so large a premium as 10 per cent. It is the nature of trade, like water, to bring itself to a level. It is just the same

¹ General Court Records.

² General Court Records.

³ Journal of the House.

thing, whether you bring a certain quantity of specie into the Province, or prevent the like quantity from going out of it. As, therefore, the advantages of negotiating your money by bills, are very plain and certain, the only question will be, whether it is practicable." His Excellency then states that he has made it certain, from the promise of merchants, that the Province may receive its reimbursements by bills of exchange, instead of hard money. 1761.

¹ In accordance with the advice of the Chief Magistrate, it is ordered by the Legislature, that the Treasurer draw bills of exchange for £60,000, being the proportion of Massachusetts, as granted by Parliament, for military charges. July 11.

As silver was found to be most profitable by the merchants for paying their dues in England, such coin was continually scarce. At the same time, gold not being of so ready an exchange there for mercantile obligations, and also not a legal tender for debts here—though it was current as individuals could agree—was plentiful. To prevent the inconvenience arising from this state of pecuniary relations, a majority of the House as well as of the community are desirous to have gold made a legal tender.

² The expression of a desire, so naturally originated and to be expected, is made among the Representatives by the introduction of a bill. This document not only proposes the legality of gold as well as silver, in the discharge of debts, but also the prevention of counterfeiting coin, and particularly the Province notes or securities. ³ It is thus introduced:—"Whereas divers species of foreign gold coin are current in this Province, and are received into and paid out of the public treasury, but are not lawful tender, in public or private payments, by which it is apprehended many inconveniences have arisen to the prejudice of Trade and Commerce, and consequently very detrimental to the public," such money be placed as to legality, on the same footing with silver. It is immediately singled out to serve as the pivot, on which party views and feelings, relative to the prerogative of the Nov. 23.

¹ Mass. Archives—Pecu., vol. v.

² Journal of the House.

³ Massachusetts Archives—Pecuniary, vol. v.

1761. Crown and the Charter rights of the Province, are made long to revolve. A similar experiment had been tried on the bills of credit for forty years. The fruits of that labor, now show themselves engrafted on another branch. The Council on its being presented to them, negatived it as an unpropitious measure.

Nov. 24. ¹Perceiving that there were signs of discord between the two Houses, the Governor addresses them by a message. This contains the ensuing passages:—"I am willing that my recommendations should be confined to the single business of calling in and reëmitting the Treasurer's notes. I think it indispensable, that the owners of the notes should be obliged to bring them in by a certain day, under the penalty of the Interest ceasing at that day. Without this, it can neither be ascertained what notes have been counterfeited, nor will a stop be put to the practice for the future; for this purpose, it will be most expedient to reëmit them in the same money they are payable in now. As for the penalty for counterfeiting them, although I think all punishments, except capital, will be inadequate, I shall consent to such others as you shall think fit, provided you add a clause, that all the interest upon those reëmitted Treasurer's notes, shall cease upon the expiration of the several terms for which they are granted, that there may be a certain determination of the probable mischief of counterfeiting notes within a few years."

His Excellency's peace offering does not appear to have produced conciliation between the Representatives and Council. The former were strenuous for the enactment of the proposition before them for gold to be legalized as a part of the currency. The latter took a point blank position on the other side. Seeing that there was no probability of their coming to terms of agreement, the Governor again interposes. His address to them follows:—"After more than a fortnight spent in fruitless debates, I find myself obliged to prorogue this General Court, without any thing effectual's being done in the important

¹ Journal of the House.

business for which I called you together." He further 1761.
desires, that when they assemble, they will come unbiased
and unprejudiced by the events of the present session.

In writing on this subject to a correspondent, Thomas
Hutchinson uses the subsequent language:—¹ "The last Dec.
session of the Court was spent in a controversy about our 14.
money. The House passed a vote for making gold a
lawful tender at the rate it passes. This would have
driven away our silver and eventually depreciated the
currency. I stood in the front of the opposition, and it
was with difficulty the Council was kept from concurring.
I am afraid the next session, as the Governor, at present,
is not sensible of the ill consequences of the proposal, it
will pass. If it succeed, I look upon it to be the first step
of our return to Egypt." The same writer, judging
from the appearances of the Legislature, that his favorite
plan, which he first formed and promoted against much
untoward resistance, that silver only should be tolerated
by statute in payment of debts, was soon to be made
copartner with gold for a like purpose—thus uncovers his
heart to a friend in England:—"I opened my letter of the 1762.
11th, to tell you, that the House have passed a bill for Jan.
issuing notes, payable in dollars at 6^s or in gold at the 15.
rates now set, which sinks our currency four or five per
cent. It will pass the Board with little opposition. The
Secretary, Erving, Bowdoin, and two or three more are
with me, and a great clamour is raised against my papers.²
Pray tell me if I am wrong, and let me know what people
say on your side of the water. If the party see them
condemned, I shall have no chance. Our dollars will be
gone in a twelve month. Pistareens will succeed, and I
shan't wonder, if the next motion, or at least after some
time, is, to bring gold to a proportion of them at 14^d each.
The intrinsic value perhaps is not 8^d." Feb.

³ As one of the many plans adopted by the Legislature 23.
to stop the iniquities of counterfeiting, the following is
passed to be enacted:—Individuals convicted of such a

¹ Massachusetts Archives—Hutchinson's Correspondence.

² These papers were on currency.

³ Massachusetts Archives—Pecuniary, vol. v. Journal of the House.

1762. crime are to be set in the pillory one hour—each have an ear cut off, drawn to the gallows and set thereon, with ropes round their necks for an hour, publicly whipped, not above thirty-five stripes; committed to the house of correction, confined there, kept at hard labor for not less than ten years nor more than twenty years, and during such term shall, once every year, at the quarter sessions for the peace, be set in the pillory one hour. The Governor did not sign this. His reason will soon appear.

March 6. ¹In accordance with the fears of Mr. Hutchinson and his friends, the bill for adopting gold as a legal tender, receives the sanction of the governor. It requires that such coin shall be at the rate of $2\frac{1}{2}$ ^d a grain. It is accompanied with another enactment, that the Province notes, of which large amounts are in circulation, shall be renewed at the treasury. In anticipation of this, a form, suited to the law, that gold should be a legal tender as well as silver, had been prepared, of the succeeding tenor:

Province of the Massachusetts Bay.

The day of A. D.
Borrowed and received of the sum of for the use and service of the Province of the Massachusetts Bay; and in behalf of said Province, I do hereby promise and oblige myself and successors in the office of Treasurer to repay the said or his order the day of A. D. the aforesaid sum of in Spanish mill'd dollars at six shillings each, or in the several species of coined silver and Gold enumerated in an Act made and passed in the twenty-third year of his late Majesty King George the Second, intituled, an Act for ascertaining the Rates, at which coined silver and Gold, English half pence and farthings may pass within the Government, and according to the Rates therein mentioned, with interest annually at six per cent.

Witness my hand, H. G., Treasurer.

A. B. }
 C. D. } Committee.
 E. F. }

¹ Journal of the House.

"Which form (except as is hereafter provided) shall be printed, with a suitable border round the same, and also the words—Province of the Massachusetts Bay, the word Committee, and the words witness my hand, shall be struck off from a copperplate, which the Treasurer is empowered to procure." 1762.

Province notes of this class, received the name of the new form, and occasioned the preceding ones to be called the old form. This was a partial imitation of the phrases of new and old tenor, as to former bills of credit.

¹For such scrip there was still a further call. Though hopes were cherished, that peace by this time would have been made, yet it was interrupted, and therefore the Province must still gird on their armour, and still give their paper to meet the cost. On this subject, Governor Bernard gives his own views:—"Although I would not have you despond, I must caution you against being too secure or indifferent. You must not think, that if the war does not rage at your own doors, you may therefore be unconcerned spectators of it. Your interest is at the bottom of this contest; and wherever the battle is fought, the prize lies in this country. The negotiations for peace were interrupted by the Spaniards demanding a right of fishing on the Banks of Newfoundland; and he has also avowed, that the concessions of the French were too advantageous for the British nation. Whereas the cession of Canada is the only one that can be said to be greatly advantageous to Great Britain. The North American fishery, therefore, and the possession of Canada, are the stakes for which the game, now begun, is to be played." April 14.

²As a result of resistance to the Act, for making gold a tender for payment of debts, by members of the Council, who held seats on the bench of the Supreme Court, a strenuous movement is made in the House to exclude them from holding any place in the Legislative branches. This being the first formal trial of strength on such a point, fails by a majority of seven votes in the negative. Though thus arrested, it soon succeeded. ³Governor June 20.

¹ Journal of the House. ² Journal of the House. ³ Journal of the House. June 9.

1762. Bernard states to the two Houses, that a reason why he did not sign the bill for the punishment of counterfeiters, was because it did not require death for fraud upon the government notes. He says, that so far as he is acquainted, such a penalty is demanded in all other dominions of his Majesty. He gives an opinion, that unless a clause is inserted to this effect, it is better to have the matter dropped. If inserted, he advises that the penalty be printed on the bottom of each note. The House do not agree to this proposal.

June 15. ¹As the treasury is not in funds sufficient to liquidate the interest due on the Province notes, it is enacted; that the time specified for such payment shall be prolonged. Though measures of this sort had been resorted to from necessity, yet they always impaired the credit of the paper concerned.

July 16. ²As having much influence, as to the concerns of our currency, the King signs a warrant for £200,000 as a grant to the Colonies for charges in the war. Of this, Massachusetts is to have a large proportion.

Of the above sum, £10,000 were reserved to settle a claim of Massachusetts, which was not sufficiently clear. This reservation was ordered by his Majesty, December 14, 1763, to be paid, and our Province to have £5,190 12 6 of the whole amount.

1763. May 26. ³With earnest desires for the pecuniary and every other true interest of the community to be promoted, the Governor delivers a speech to both Houses under very encouraging circumstances. Let his own words be cited:—"I can now congratulate you upon the final conclusion of a peace highly honorable and advantageous to Great Britain. North America is now become entirely British. Your fortunes are now in your own hands; and on yourselves will greatly depend the future welfare of your country. By the ceasing of the war, several sources of the current wealth ⁴ of this Province will be shut up. It will there-

¹ Journal of the House.

² Massachusetts Archives—Pecuniary, vol. v.

³ Journal of the House.

⁴ The liberal grants made by Parliament for the expenses of war with the French.

fore be necessary to open others to supply their deficiency. 1763. It will be necessary not only to avail yourselves of every possible improvement in agriculture, fishery and trade, but also to revive and promote a spirit of industry, frugality and economy. Without some such precautions, it will be difficult to preserve your present currency and support your credit with Great Britain." The fair prospect, thus presented to the country, is soon clouded. ¹ His Excellency is constrained to tell the sad tale, that there is a general conspiracy of the Indians against the English, and that the sword must be again girded to defend the territory from the horrors of savage invasion. In addition to this, the mercantile communities are thrown into fear and commotion, by laws of Parliament—such as the Sugar Act and others, which are deemed greatly prejudicial to the trade of this Province. ² The merchants and traders petition the Legislature to strive for averting the apprehended evils of such policy on the part of the mother government.

Dec.
21.

27.

In reference to trials of this sort, the Representatives communicate their thoughts to Mr. Jasper Mauduit—who, they supposed, had not acted, as their agent, with suitable energy for the welfare of Massachusetts. From this letter we extract a few sentences:—"In the last war, we exerted ourselves much beyond our natural strength, and thereby we have incurred a heavy load of debt, which all the resources in our power will hardly clear us from in many years. Can it be possible, that the duties to be imposed, and the taxes to be levied, shall be assessed without the voice of one American in Parliament?" In connection with their letter to Mr. Mauduit, the House order "the state of the rights of the British Colonies" to be forwarded to him. They also authorize a Committee to correspond with the other governments and inform them what instructions are ordered for their agent, requesting him to use his endeavors for repealing the Sugar Act and preventing the Stamp Act or other taxes on American Colonies. Thus, however this Province had been enabled to sustain by the

1764.
June
13.¹ Journal of the House.² Journal of the House.

1764. reimbursements from England, the credit of its notes, since paper money ceased to be a legal tender—much better than before—still, the most of its inhabitants dread that their pecuniary and other kindred interests will suffer greatly by the attempt of Parliament to obtain a revenue from them, when they had scarcely leisure to breathe freely and fully from the struggles of a prolonged and vigorous warfare.

Oct.
24.

As a further illustration of the condition of Massachusetts in its pecuniary interests and other relations, we adduce some extracts from an address of the General Court to his Majesty :—" We find ourselves at the happy conclusion of the war by our great exertions in it, involved in a heavy load of debt, which will take us many years with all the resources in our power to clear ourselves of. The sums annually required in the course of the late war being much greater than could be raised on your Majesty's subjects each year, we were constantly obliged to borrow large sums at a high interest, and to secure the payment thereof to the lenders, to anticipate and mortgage the standing revenues of the government, which consist of a tax on all polls and all real and personal estate, within the Province, on import, certain duties on shipping and an excise on all spirituous liquors. We cannot therefore conceal our grief to find by a late Statute, made and passed in the fourth year of your Majesty's reign, entitled, an Act for granting certain duties in the British Colonies and Plantations in America, etc., such duties laid and regulations established, as must not only deprive us of all these resources, but must finally destroy our trade, and as we humbly conceive, deprive us of the most essential rights of Britons. The duties laid by the said Act, interfere with the Import and Excise Acts of this Province, nor can we continue these, if the said duties are exacted; whence, the security the creditors of this government had from those branches must fail. The high duty on foreign sugar and molasses must soon destroy our Trade to the foreign islands. Without this, our fishery cannot be supported. The restraint on lumber, which we are by said

Act prohibited from sending to any other part of Europe 1764. besides Great Britain will destroy another great branch of our commerce. And the many other regulations introduced or newly enforced by the said Act, have already produced the greatest distress on all your Majesty's trading subjects in this Colony. And our Trade being totally ruined, which we apprehend will be the necessary and speedy effect of these new regulations, if enforced, this Province will be unable to pay its publick debts, whence must soon arise a general bankruptcy, and whenever this happens, the inhabitants of the kingdom of Great Britain, will, we fear, be great sharers in our calamity. But we must further humbly represent to your Majesty, that we look upon those duties as a tax, and which we humbly apprehend ought not to be laid without the Representatives of the people affected by them. With respect to a general stamp duty, we beg leave to observe to your Majesty, that in the late war, being driven by want of money to every expedient, we, in this Province, once made such an Act, which was to continue two years; but we found it so burthensome to your Majesty's subjects, and it was generally complained of, that it was laid aside, and hath never been since revived. We beg leave to add, that these duties joined to the other aforementioned, will exhaust this Province of all its money. It will be utterly incapable of paying its public debts, of bearing the charges of its domestic government, and the subjects here of paying their debts due to your Majesty's subjects in Great Britain." This is indeed a piteous relation. But however, our fathers may have felt more in contemplating the facts on which it was founded, than they would have experienced, if having give to these facts a full trial; still, the relation had many fearful realities about it. It does not appear to have been the soundest policy on the part of the parent government to impose burdens on a country, yet oppressed with a debt contracted in the warfare, which was as much for the honor and welfare of the Crown as for themselves. Still less wise does it seem to have been in Parliament, so to strain the interpretation of the Prov-

1764. ince Charter as to interfere with the long established custom of our fathers, of laying their own taxes for the support of their own internal government.

1765. ¹ Thus situated, large amounts of the treasury scrip are
March 8. in circulation and soon become due. The only way to redeem it, was to levy a tax, "insupportable to the inhabitants under their distressed circumstances." Therefore, the Treasurer is instructed to renew the notes out, for all who are disposed thus to accommodate, and to hire of others who may be inclined to lend, at five per cent. interest.

May 30. Desirous and vigilant to free the Province from its embarrassments and promote a safe medium of exchange, his Excellency calls the attention of the Assembly to what he judged would have such a tendency. He observes to them—"Soon after my arrival, I formed in my mind an idea of three improvements which this country was capable of making profitable to itself and convenient to Great Britain; I mean potash, hemp, and the carrying of lumber to the British markets." While thus recommending what approves itself to our perception, he discourages other enterprise contrary to the popular views of our age. On this point, his words are—"You will have no occasion vainly to attempt to transfer manufactories from their settled abode, (i. e. England;) an undertaking at all times difficult, but, under the disadvantage of high priced labor, impracticable."

June 8. With reference to the movement of the House for a Congress of the Colonies, to meet in New York, and confer on their difficulties in consequence of Parliamentary laws, and to other demonstrations of resistance to what they considered oppression, the Governor is constrained to say, ² "This Province seems to be on the brink of a precipice." In the same address, after dwelling on the evils which must result from a refusal to use the stamp papers, which were then near Boston harbor, and made necessary in all public transactions, he asks, "Can this Province bear a cessation of law and justice, and of trade and navigation, at a time when the business of the year is

¹ Journal of the House.

² Journal of the House.

to be wound up, and the severe season is hastily approaching?" The appeal, which he ably made on this occasion, did not turn the Representatives from their course. 1765.

¹In their reply to his speech, they remark, "Your Excellency tells us that the right of the Parliament to make laws for the American Colonies remains indisputable in Westminster. Without contending this point, we beg leave just to observe, that the Charter of this Province invests the General Assembly with the power of making laws for its internal government and taxation; and that this Charter has never yet been forfeited. There are certain original inherent rights belonging to the people, which the Parliament itself cannot divest them of, consistent with their own Constitution. Among these is the right of representation in the same body which exercises the power of taxation." These passages are cited from an abundance of discussions, very ably and interestingly sustained between Governor Bernard and the Representatives, not for a political purpose, but to give a specimen of the different views then entertained and advanced as to measures, which had a sensible and powerful effect on the currency of this, as well as other portions of the country. Oct. 24.

²Among several objections which the House make to the late proceedings of the Governor and Council, as savoring too much of arbitrary power, is "taking upon themselves to regulate and stop the interest of the public securities." The popular branch of Government would have been glad for the interest on the large amount of the Province paper to have ceased in a proper way; but were dissatisfied that a matter, which long custom had assigned to them more than to the other branches, should be taken from their hands. 1766. Jan. 20.

³While a thick cloud so rested on the monied concerns of the Province, tidings come which tend greatly to its dispersion. They are, that the Stamp Act has been re- May 21.

¹ Journal of the House.

² Journal of the House.

³ Annals of Salem, p. 467.

1766. pealed. Demonstrations of joy were made, which, in some of their appendages, led more to a spirit of insubordination than to regularity. The effigies of Pitt and Lord North were paraded through the streets. The former was greatly honored, but the latter burnt. ¹Mr. Bernard congratulates the Assembly on this occasion. ²The House reciprocate his benevolence, and call the repeal "a most interesting and happy event, which has diffused a general joy among all his Majesty's loyal and faithful subjects, throughout this extensive continent."

May
29.

June
3.

28. ³As an index of the Government notes which circulated in community, and were to be paid in one year, we have the following. This enacted that the Treasury be supplied with the sum of one hundred and fifty-seven thousand pounds, for the redemption of securities, that become due in 1767.

1767.
Feb.
26.

5.

⁴After various attempts to close the concerns of the Land Bank, it still makes its appearance, like a troubled spectre, in the hall of legislation. The commissioners give a long account of the transactions relative to this institution. ⁵The amount due from it, in notes and interest, since September 9, 1740, was £1,740 7 3. A committee report, that this shall be paid in equal proportions by the surviving directors, and out of the estates of those deceased, one ninth each, first deducting so much of the sums assessed on them, Sept. 8, 1763, as they had respectively paid. But a question was made by Mr. Robert Auchmuty, an attorney for the directors, as well as a descendant from one of them, whether they were not already released from all such responsibility by a previous settlement with the Assembly's commissioners.

Aug.
25.

⁶Notwithstanding all that had been said and experienced, with regard to bills of credit, there is still a party among the people of the Province and their Representatives, for its restoration as a legal tender for debts. Gov-

¹ Journal of the House.

² Journal of the House.

³ Journal of the House.

⁴ Massachusetts Archives—Pecuniary, vol. v.

⁵ Massachusetts Archives—Pecuniary, vol. v.

⁶ Massachusetts Archives—Pecuniary, vol. v.

ernor Bernard writes by request of the Council to the Earl of Shelburne on this subject. Having sent his Lordship a concise history of such currency in Massachusetts, he proceeds, as his own language expresses :—"The occasion of drawing up this representation was this. It appeared in the London newspapers, that Dennys De Berdt, Esq., agent for Massachusetts Bay, joined other agents of the Colonies in their solicitation for a permission to create paper money. If Mr. De Berdt had really been agent for Massachusetts Bay, as he really never was more than a charge d'affairs of the House of Representatives, he could not have done any thing more contrary to the sense of this Province, than appearing as an advocate for paper money." His Excellency also adds, that the Council, at the last session of the Assembly, desired the Representatives to unite with them in a statement, that this Province did not wish to join in such a solicitation to Parliament for paper money ; but the House declined to act with the Council in this affair. The fact here presented, shows that there was a more extensive wish, among the people at large, for the renewal of a legalized paper currency, than the Governor supposed. Such an attempt of Mr. De Berdt, in connection with his being employed by the Representatives as their agent, justifies the conclusion, that there was far less satisfaction with the hard money system, even with the circulation of a half million of Government scrip, than was anticipated and maintained by the exclusively coin party.

¹Dennys De Berdt, agent for the House, writes from London to our Assembly :—"I was well apprised how happily you were relieved from the late difficulties of a paper currency, and the contentment the sensible part of your Province experience in having a solid medium." Respecting a proposal for the introduction of bills here again, he adds, "Whenever the matter is under consideration, I shall act agreeably to the precautions in your letter."

²A committee, in giving an account of the annual con-

Oct.
21.

Nov.
3.

¹ Massachusetts Archives—Letters, vol. vi.

² Massachusetts Archives—Pecuniary, vol. v.

1767. flagration of the Province notes, state, that they had
 burned them, as due, for several years, from 1763, to the
 amount, in principal, of £203,123, the interest being
 £9,932 18 5.

Nov. 20. ¹ Another unfavorable omen to our monied interests, was
 the commenced operation of a Parliamentary ² Act, which
 laid duties on imported glass, paper, teas, and paints.
 Such a law, though not producing so much alarm as the
 Stamp Act, was followed with riots, and insults to its
 executors. According to the ³ motion of Boston, sub-
 scription papers are soon circulated through the towns, for
 the promotion of industry, economy, and manufactures,
 and "thereby prevent the unnecessary importation of
 European commodities, which threaten the country with
 poverty and ruin."

1768. ⁴ With reference to the same absorbing subject, the
 Feb. 26. House pass the ensuing resolves. Only one member,
 Timothy Ruggles, who openly manifested his adherence
 to Royalists, voted against them. "Whereas the happi-
 ness and well-being of civil communities depend upon
 industry, economy, and good morals; and this House,
 taking into serious consideration the great decay of the
 trade of the Province, the scarcity of money, the heavy
 debt contracted in the late war, which still remains on the
 people, and the great difficulties, to which they are by
 these means reduced:—Resolved, that this House will
 use their utmost endeavours, and enforce their endeavours
 by example, in suppressing extravagance, idleness and
 vice, and promoting industry, economy, and good morals
 in their respective towns. And in order to prevent the
 unnecessary exportation of money, of which this Province
 has of late been so much drained, it is further resolved,
 that this House will by all prudent means, endeavour to
 discountenance the use of foreign superfluities, and to
 encourage the manufactures of this Province."

June 24. ⁵ The inquiry, whether the surviving directors of the

¹ Annals of Salem.

² This Act signed by the King
 June 29, 1767.

³ Made October 28, 1767.

⁴ Journal of the House.

⁵ Massachusetts Archives—Pecu-
 niary, vol. v.

Land Bank, and heirs of others, deceased, had not been released from all further demands, still remains unsettled. 1768. The last amount of claim made upon them, for the principal and interest on their bills unredeemed, was about £1,500. The final action of the General Court on this subject, does not appear to have been definitely recorded among their proceedings. The probability, however, is that the directors or their heirs discharged this balance. Still the case of Benjamin Jacobs, one of the partners of the Bank, who had been sued and cast for a considerable amount of its notes, interests the Legislature, who require the late commissioners for winding up the affairs of this institution, to consider his petition for relief. Here we take our leave of this monied association, as one of the most noted that ever existed in our country; not on account of its immense capital, for this was comparatively small; but of its being made the occasion of bitter strife in politics, of costly and demoralizing litigation, of persecution extended to almost every ramification of community, and of protracted and intense anxiety, as well as of great loss to its principal proprietors.

¹The troubles between the Crown and the Colonies still increasing, a majority of the Massachusetts Council petition the House of Commons to aid in the removal of grievances here endured. This document contains the ensuing passages, relative to our currency. "This Province is still in debt on account of the charge incurred by the late war. The yearly taxes upon the people for lessening the debt, though not so great as during the war, are nevertheless with more difficulty paid, by reason of the great scarcity of money. The scarcity of money in the Colonies is owing to the balance of their trade with Great Britain being against them; which balance drains them of their money, to the great embarrassment of their trade, the only source of it. This embarrassment is much increased by the regulations of trade, and by the Tax Acts, which draw immediately from trade the money necessary to support it; on the support whereof the payment of the

¹ Appendix to the Journal of the House.

1768. balance aforesaid depends. The exports of the Colonies, all their gold and silver, and their whole powers of remittance, fall short of the charged value of what they import from Great Britain." Indeed, this is a gloomy portraiture of the monied concerns of the Commonwealth. The determination of our fathers to stand in their lot and contend for their Charter privileges, and the equally strong purpose of Parliament to continue their policy of Colonial taxation, gave but faint signs, that such a representation would greet the eye of watchful patriotism with brighter and more cheerful hues. The alternative of these relations between our country and England, was, that either one or the other must retreat from their position, or else both be brought to the conflict of arms.

1772. ¹ While there is a strong inclination on the part of many
 June 22. to take the paper money of New Hampshire, Rhode Island and Connecticut, which was as strongly forbidden by renewed laws, the bills of Nova Scotia, New York, and New Jersey, had circulated considerably in Massachusetts. To prevent this, so far as the partial fences of legislation could, a motion is made by the Council for an Act, but being sent down to the House, it is at first
 July 14. there rejected. ² Again proposed, it succeeds, and receives the sanction of Governor Hutchinson. Thus passed, it furnishes us with the succeeding extract:—"Whereas the bills of the Governments of New York, New Jersey, and Nova Scotia, have long since obtained a currency in some parts of this Government, and whereas the Government of New York, have, the last year, emitted the sum of £120,000, which are in no way a tender, saving in the Treasury of said Province, and already begin to depreciate among themselves; and as many of the bills of the said last emission, as well as the bills of former emissions of the aforesaid Governments, are counterfeited, by which many persons are already sufferers, and more liable to be so, and as all paper bills are liable to depreciate," none are to receive or pay such currency after the first day of next November, on penalty.

¹ Journal of the House.

² Acts of Massachusetts.

¹ Though the plot thickens, as to reconciliation between the Colonies and Great Britain, because the former increasingly insist on a stricter adherence to their Charter privileges, even as liberally construed by themselves, and the latter more determined to oppose such demands, as presumptuous in their view, yet the monied interests of the province are in a better condition than they had been. This is occasioned by the prosperity of merchandize, fishery and agriculture.

1773.
Jan.
6.

² As an indication that the enactments against usury are much evaded, we have the subsequent introduction to a corresponding Bill before the Assembly. "Whereas the Acts already in being against excessive usury, have been found in a great measure ineffectual, to prevent avaricious and unprincipled people from taking more than six per cent. per annum, for the loan of money, whereby many honest and useful members of community, who have been reduced to the necessity of borrowing money on interest, have been oppressed, in contempt of law."

13.

³ Notwithstanding the differences between Parliament and our country had reached so high a pitch, as threatened a speedy breakage of all peaceful relations between them, business of various branches had so improved, that the currency of the Province stood on a good foundation, and, if the threatening aspect of political controversy had immediately changed, it would have given the promise of long prosperity. The remarks of Governor Hutchinson on this topic, are as follow. "There never has been a time since the first settlement of the country, when the Treasury has been in so good a state as it now is. I may congratulate the Province upon its being entirely free from debt, the tax of the last year, with the stock in the Treasury being equal to all the securities due from the Government, and to the charges of the current year." However his Excellency gave a true description of pecuniary affairs, yet the friends of liberty regarded it only as a gilded pill, which they would not receive as a catholi-

1774.
Jan.
26.

¹ Journal of the House.

² Journal of the House.

³ Massachusetts Provincial Records.

1774. con for their complaints, while they felt that their Charter rights had been increasingly and alarmingly restricted.

From one step of debate and action to another, the most of our fathers come to the result of repelling force by force. To measure swords with the power of Britain, they have but little comparative preparation.

- In order to cultivate a spirit of friendship with other Colonies, as well as to comply with the continued and prevailing wish of many for paper currency, the Committee of Safety, appointed by the Provincial Congress
1775. pass the succeeding Resolve. ¹“Whereas, many of our
May 1. brethren of the Colonies of Connecticut and Rhode Island are now with us, to assist us in this day of public and general distress, in which we are all deeply concerned; and whereas, our brethren of said Colonies have brought with them some of the paper currencies of their respective Colonies which have not, of late, had a currency with us, and for want of which, our common interests may greatly suffer. *Resolved*, that said paper currencies shall, from and after the date hereof, be paid and received within this Colony, in all payments, to all intents and purposes, in the same proportion to silver, as the same are paid and received within the respective Colonies by which the same have been issued.” Thus proposing a measure, which had been frequently prohibited, under severe restrictions and penalties, the Committee refer final action upon it to the Provincial Congress.

3. ²To sustain the attitude of defence which they had assumed, and which was rendered more necessary from the blood recently spilt at Lexington, the Provincial Congress empower the Treasurer to borrow one hundred thousand pounds, lawful money, secured by notes of the Province, at six per cent., and made payable June 1, 1777. They also desire the other Colonies to give currency to such securities.

The phraseology of paper, issued under such new and interesting relations, would call for a repetition at this

¹ Journal of the Committee of Safety.

² Provincial Congress Records.

point, did it not bear so close a resemblance to the last, 1775. already cited.

It was almost verbatim like what had been issued by our Commonwealth over twenty years. Though the authority under which it was ordered was essentially different from what it had been, still the expression of it was so retained for a while, lest the Crown might possibly withdraw from its purposes of compulsion.

¹With regard to the securities or notes given by our Province Congress, this body request the General Congress to promote its currency throughout the Union. May 3.

²As the preceding notes had been ordered not to be of a less denomination than £4, the Provincial Congress empower the Treasurer to issue others for the army, called soldiers' notes, of six, nine, ten, twelve, fourteen, fifteen, sixteen, eighteen, and twenty shillings. The amount of this emission was not to exceed £26,000. The form of such money is here transcribed. 20.

Colony of the Massachusetts Bay.

No.

May 25, 1775.

The possessor of this note shall be entitled to receive, out of the public treasury of this Colony, the sum of shillings, lawful money, on the twenty-fifth day of May, A. D. 1776, with interest, at the rate of six per cent. per annum; and this note shall be received in all payments at the treasury, at any time after the date hereof, for the principal sum, without interest, if so paid before the said 25th day of May, A. D. 1776. Which notes shall be received in all payments in this Colony, and no discount or abatement shall be made thereon, in any payment, trade, or exchange whatsoever.

Here we have the revival of paper ³money, as a legal tender, after a lapse of more than a quarter of a century;

¹ Journal of Congress.

² Provincial Congress Journal.

³ Provincial Congress Records, June 4, 1775. So urgent is the demand for bills, that Capt. Bragdon and Col. Thompson are appointed

“to attend Mr. Revere, while he is striking off the notes for advance pay to the soldiers, night and day, alternately, till they are all struck off.”

1775. and though our Government had not formally cut asunder the ties of their allegiance to Britain, they literally made themselves independent of Parliament law against the legality of such currency.

May 24. ¹ Aware that the political foundations of the Commonwealth were broken up and that an anxious uncertainty rested on the result, and that, as a consequence, there must be much backwardness in loaning money to the Revolutionary authorities, the Provincial Congress offer an address to the people. Their language follows:—"This Congress have opened a subscription for £100,000. It is of the utmost importance that the money be immediately obtained, that the public credit may not suffer. We most earnestly recommend to such of you as have cash in your hands, which you can spare from the necessary supplies of your families, that you would lend the same to the Colony, by which you will put it in our power to carry into effect the measures undertaken for the salvation of the country. There are no ways of improving money in trade. There is the greatest probability, that the other colonies will give a ready currency to the notes, which will render them, in one respect at least, on a better footing than any notes heretofore issued in this Colony. If you should furnish the money that is now needed, you will perform a meritorious service for your country, and prove yourselves sincerely attached to its interests; but, if an undue caution should prevent your doing this essential service to the colony, the total loss, both of your liberties and that very property, which you, by retaining it, affect to serve, may be the unhappy consequence." This is a gloomy description of the pecuniary condition of the commonwealth. They who had cash could invest it to no advantage in business. If they loaned it to government, they could never recover it, if the Revolution proved unsuccessful. The hazard of such a loan required the exercise of no ordinary patriotism to comply with the impressive appeal of Congress. This compliance, however, was made at a most critical juncture, and thus aided

¹ Lincoln's Printed Journal of Provincial Congress.

on their burdensome enterprise, and subsequently benefited the country a thousand fold. 1775.

As our State is about to be immediately and deeply interested in the paper currency of the "Continental" Congress, we shall have frequent occasion to make it the subject of notice. Indeed, such are and will be the political relations of our Commonwealth to the General Administration, that the pecuniary regulations of the latter must have a connection with the former. ¹ Driven by stern necessity to the last resort of means for sustaining the conflict with Britain, the Continental Congress order an emission of notes to the amount of two millions of dollars. This was the first issue of bills ever made by the vote of delegates from the various American Colonies. Such and other abundant emissions from the national exchequer, were soon found too large for the sustenance of their own credit as well as that of the State's paper. The form of the national bills was as follows:

CONTINENTAL CURRENCY.

No.

Dollars.

This bill entitles the bearer to receive Spanish milled dollars, or the value thereof, in Gold or silver, according to the Resolutions of the Congress held at Philadelphia on the 10th day of May, A. D., 1775.

² The question of making the bills of other Colonies a tender in all payments, as previously suggested by the Committee of Safety, comes before the Provincial Congress. This Body resolve, that such paper of Rhode Island shall thus pass at 6/9 for an ounce of silver, and also of the rest of the Colonies, except Nova Scotia and Canada, at 6/8 an ounce. They order, that whoever refuses to take these notes without some discount, "shall be deemed an enemy to his country."

³ As the exigencies of the Colony demand more money, the Committee of Safety vote that £100,000 in bills from 1 to 100 shillings be emitted. This was constituted a

¹ Journal of Congress.² Provincial Congress Journal.³ Committee of Safety's Journal.

1775. tender in all pecuniary transactions, as equivalent to specie at the usual rates, "under penalty of treble damages to both the payer and receiver." The form of such obligations is as follows :

Colony of the } July 1775. No. 109.
Massachusetts Bay }

The possessor of this Bill, shall be paid by the Treasurer of this Colony, two shillings and six pence, lawful money, by the 18th day of July, 1777, and it shall be received in all payments at the Treasury at all times.

By order of Congress,

*A. D. }
B. E. } Committee.
C. F. }*

July 7. ¹ The Provincial Congress order a part of the preceding amount to be struck off.

29. ² Of another emission of Continental bills, amounting to \$3,000,000, the proportion of them is assigned to each Colony. Virginia and Massachusetts are to receive a greater sum than the rest. The former has \$496,278, and the latter, \$434,244. It is intended, when the matter can be settled, to have population the basis of such a pecuniary appropriation. It is resolved, "that each Colony provide ways and means to sink its proportion of the bills ordered to be emitted by this Congress in such manner as may be most effectual and best adapted to the condition, circumstances, and equal mode of levying taxes in such Colony," and that each Colony pay its quota in four equal annual instalments, as follow—November 30, 1779, 1780, 1781, 1782.

Aug. 23. The first General Court, under the new order of things, being assembled, soon find themselves called to legislate for the supply of the treasury.³ After several weeks of consideration on the subject, they authorize an emission of £100,000 in paper. In connection with this, the subsequent order is passed :—There shall be "on the back of

¹ Journal of Provincial Congress.

² Journal of Congress.

³ Acts of Massachusetts.

each bill the figure of an American with a sword in his right hand, with the following inscription suspended there-^{1775.} from, viz.—‘*Ense petit placidam sub libertate quietem,*’ and from his left hand, *Magna Charta*, and round the figure these words, ‘*Issued in defence of American liberty.*’” The circumstances under which this currency is sent forth, are clothed with serious greatness. They embrace the oppressions, necessities, purposes, perils, hopes and fears of a people, breaking from long established relations and setting themselves in array against a mighty empire.

The most of the interesting device required to be stamped on the notes of this emission, composed the Seal of our State, as recently adopted by the General Court. It showed to the eye, that the Royal armorials, which were long contained on our public documents and which denoted subjection to the British Crown, had been deliberately repudiated, and others, exhibiting emblems of freedom and the sentiment of the patriot, Sidney, had been chosen in their stead.

On each bill, the names of three persons, designated to sign it, were to be written, one with red, another with black, and a third with blue ink.

This kind of paper received the appellation of “sword in hand money,” because of the armed image on its back.

As the ramifications of war increased and extended, so were our public guardians compelled to try the perilous experiment of swelling the amount of their treasury securities.

¹Such currency, as yet, had not faltered. In an intercepted ²letter of Doctor Church is the succeeding passage:—“The bills of all the Colonies circulate freely, and are readily exchanged for cash.” Oct. 27.

³Respecting an emission of three millions, ordered the 29th ult., Congress resolve—“that the thirteen United Colonies be pledged for the redemption of the bills of credit, so directed to be emitted.” Each Colony is to have a part of this money, in accordance with their popu- Dec. 26.

¹ Journal of the House.

² Deciphered by Rev. Mr. West, and laid before the General Court.

³ Journal of Congress.

1775. lation, and to redeem their share of it by four equal, annual payments, the first to commence November 30, 1783.

1776. ¹In order to sustain the credit of paper currency, which
Jan. begins to relax its hold on public confidence, the Legisla-
13. ture are strict to mark every individual, who declines to receive it for any pecuniary obligation.

31. Assured that there is a confederacy here and in other Colonies, to destroy public confidence in the paper currency, and thus to encumber the progress of the Revolution, the General Court, in compliance with a resolve of Congress, empower a Committee to detect its authors and have them punished as enemies to the country.

March ²Anxious to extend the passing of their bills, and thus
20. to excite a sympathy in favor of their enterprise, the national government devise various methods for such an object. As they are about despatching Commissioners to Canada for the purpose of bringing over the people there to unite in resistance to the Crown, they instruct them, among other particulars, "to use every wise measure to introduce and give credit and circulation to the Continental money in Canada."

June ³As a sign of the scarcity of specie as well as of a
27. distrust in the safety of paper money, strenuous efforts had been made to raise £30,000 of hard money in Massachusetts on exchange for bills, to promote the expedition of our forces in Canada, but with a small and disheartening degree of success. Knowing that to fail in this point, would have a disastrous effect on other operations of the country, our Legislature make further exertion, and entreat all who are able to aid in accomplishing such an exchange, to do it, and thus "assist their distressed country in this critical day."

Aug. An emission of bills, now ordered by Congress, with
13. what had been already issued, amounts to \$19,000,000. The proportion of this aggregate sum, assigned to Massachusetts, is about \$2,750,210.

Dec. ⁴While the credit of the Union, in reference to these
16.

¹ Journal of the House.

² Journal of Congress.

³ Resolves of the General Assembly.

⁴ Resolves of the General Assembly.

notes, is far from being a talisman, which can demand and punctually receive whatsoever funds and supplies are needed, the credit of our own Commonwealth, in the same respect, has not much greater influence. Our State authorities are obliged to intercede with the Committee of Correspondence in every town, to open subscription lists for a loan of £100,000, required several months previously, on the basis of treasury notes, at lawful interest. These securities, though of the safest kind, tend to the depreciation of other paper currency. 1776.

¹ Desirous to prevent the evils which threatened the currency of the Union, and in accordance with a letter from Governor Trumbull of Connecticut, our Assembly appoint delegates to meet others on so great a concern. Another object, having a near relation to the same topic, for the designation of these individuals, is to suppress monopolies and extravagant prices in the necessities of life. These prices were not only enlarged themselves by the abundance of government notes, but also, in consequence, they rendered these notes proportionably less and less sufficient to command the supplies of maintenance and warfare. The Convention, so proposed, soon assemble at Providence, Rhode Island. Dec. 10.

² Painfully assured, that popular reliance on the safety of the national bills was seriously shaken and enervated, Congress declare, that so deprecated an effect had been urged on by enemies to American liberty, and that every State is obligated to put forth all its energies to recover the credit of such money from its downward progress. To strengthen and accomplish their proposal, they enact that whoever pays or receives this currency at a less rate than originally prescribed, besides being accounted a foe to the liberties of his country, shall forfeit the sum so exchanged. They also advise the several States to make this paper a legal tender for debts, as previously required, and to provide that a refusal of it in such a mode, shall be the extinguishment of all claim. They further suggest to the States, that they make preparation to discharge 1777. Jan. 14.

¹ Resolves of the General Assembly.

² Journal of Congress.

1777. their respective quotas of such money emitted by order of Congress, at the precise periods specified.

Jan. 25. ¹ In accordance with previous conference and agreement with other New England States, our Commonwealth pass an Act to prevent monopoly and oppression. As this document, which was to commence from the 28th of the month, in which it was made, has a direct and important bearing on the currency, and shows what its value was generally estimated at, we make the succeeding extracts:—

“The price of *Farming Labour* in the summer season shall not exceed 3^s by the day and found as usual, and so in usual proportion at other seasons of the year, and the labour of *Mechanics* and *Tradesmen* and other labour beside what is herein hereafter especially enumerated in proportion thereunto, according to the usages and customs which have heretofore been adopted and practiced in this State when compared with farming labour.

“And be it further enacted by the Authority aforesaid, That the following articles shall not be sold for a higher price than is herein hereafter settled and affixed to them respectively, viz.

“*Wheat*. Good merchantable Wheat at 7^s 6^d per bushel.

“*Rye*. Good merchantable Rye or Rye Meal at 5^s a bushel.

“*Indian Meal*. Good Indian Meal or Corn at 4^s a bushel.

“*Sheeps' Wool*. Good merchantable Sheeps' Wool, at 2^s lb.

“*Pork*. Fresh pork well fatted and of a good quality at 4½^d a lb. and *Salt Pork* in usual proportion according to the price of Salt.

“*Beef*. Good well fatted grass-fed Beef at 3^d a lb. and stall-fed Beef well fatted at 4^d a lb. and Beef of an inferior quality in equal proportion.

“*Hides*. Raw Hides at 3^d a lb. Raw *Calf Skins* at 6^d a lb.

“*Salt*. Good merchantable imported Salt, at 10^s a bushel, Salt manufactured from sea water within this State at 12^s a bushel.

¹ Acts of Massachusetts.

“*Rum.* Good merchantable West-India Rum at 6^s 8^d 1777. a gallon by the hogshead, including the cask, and 6^s 10^d by the barrel, exclusive of the barrel, and 7^s 8^d by the single gallon, and 2^s by the quart, and so in proportion for a less quantity, according to the former custom and usages for retailing smaller quantities, saving an allowance of one penny a gallon for every ten miles the same shall be carried by land carriage from the first port of delivery.

“*New England Rum* at 3^s 10^d a gallon by the hogshead or barrel, exclusive of 13^s 4^d for the hogshead, or 4^s for the barrel, and 4^s 6^d by the single gallon, at the town where the same is distilled, and so in like proportion for smaller quantities, according to the old and approved customs for retailing smaller quantities, allowing *one penny* each ten miles for every gallon that has been or shall be transported by land from the place of distillery.

“*Sugar.* Best Muscovado Sugar at 54^s a hundred by the hogshead, and £3 by the single hundred, and 8^d a lb. by the single pound at the place where it is first landed, and allowing 9^d for the transporting of every cwt. ten miles by land carriage. And Sugars of an inferior quality in the usual proportion.

“*Molasses,* of the best quality at 3^s 4^d a gallon by the hogshead, including the cask, and 3^s 8^d by the barrel exclusive of 3^s for the barrel, and 4^s by the single gallon at the place where it is first landed from the West-Indies, and so in proportion in the country, allowing *one penny* a gallon for every ten miles transportation by land into the country or from the place where it is so landed.

“*Cocoa.* Best Cocoa at £6 10^s a cwt. American manufactured Chocolate 1^s 8^d a lb.

“*Cheese* manufactured in America 6^d per lb.

“*Butter* at 10^d a lb. by the single lb. and 9^d by the firkin.

“*Peas* 8^s a bushel. *Beans* 6^s a bushel.

“*Potatoes.* Potatoes commonly called Spanish Potatoes of the best quality at 1^s 4^d a bushel in the fall of the year, and not more than 2^s in any other season, and other Potatoes in usual proportion.

1777. "*Stockings.* Men's best Yarn Stockings 6^s a pair, and in that proportion for an inferior quality.

"*Shoes.* Men's Shoes made of neat's leather, of the best common sort, 8^s a pair, and for others the like price according to their size and quality.

"*Salted Pork* by the barrel, 220 lb. in a barrel, £4 12^s.

"*Beef.* Beef by the barrel, 240 lb. in a barrel, £3 14^s 6^d.

"*Cotton.* Cotton 3^s a lb. by the bag, and 3^s and 8^d by the single lb. at the port where it is first landed from the West-Indies, and the like allowance for transportation as for other articles.

"*Oats.* Oats, 2^s a bushel.

"*Flax.* Good well dressed merchantable Flax, 1^s a lb.

"*Coffee.* Good Coffee 1^s 4^d a lb. by the single lb.

"Good tried Tallow 7½^d a lb. and rough Tallow 5^d a lb.

"*Tow Cloth.* Good yard wide Tow Cloth, 2^s and 3^d a yard, and other Tow Cloth in proportion, according to its width and quality, and the price of coarse Linens to be computed after the same rate.

"*Flannel.* Good yard wide Striped Flannel, 3^s 6^d a yard, and other Flannels in proportion, according to their widths and qualities; and other woolen Cloth, manufactured in America, according to their widths and qualities.

"*Wood.* Green oak Wood brought from the country, and delivered at the door of the buyer in Boston 28^s.

"Good *Walnut Wood*, so delivered 30^s a cord.

"Good *Walnut Wood* brought from the south shore and delivered at a wharf in Boston, 28^s.

"Good *Oak Wood*, brought from the south shore and so delivered 24^s.

"*Eastern Wood*, in consideration of the risque in bringing the same, 22^s delivered at the wharfe in Boston.

"*Charcoal.* Good *Charcoal*, 1^s a basket.

"*Tanned Hides*, at 1^s 3^d a lb. and curried Leather in usual proportion.

"*Homespun* yard wide cotton and linen cloth of the common sort 3^s 6^d and other widths and qualities of cotton and linen in like proportion.

"*Mutton, Lamb and Veal*, at 4^d a lb.

"*Flour*, imported from the southern States at 30^s cwt. 1777.

"*Flour*, manufactured in this State at 25^s. ~

"*Horse keeping*, in Boston for a night, or twenty-four hours with English hay 2^s and in other places in proportion. For keeping a yoke of oxen the same as a horse.

"*Teaming Work*, 1^s 6^d for every ton weight a mile, excepting from North-Hampton to the northern army, for which may be taken 2^s a mile for each ton weight.

"*Turkeys*, Dunghill *Fowls* and *Ducks*, to be sold only by the pound, at 5^d a lb.

"*Geese*, at 4^d a lb.

"*Milk*, at 2½^d a quart.

"*Good Refined Iron*, at 50^s cwt.

"*Bloomery Iron*, at 30^s cwt. at the place of manufactory, and the same allowance to be made for transportation of Iron by land as is allowed for other articles.

"*Liver Oyl*, by the barrel 4^s a gallon.

"*Blubber* refined, 30^s a barrel.

"*English Hay*, of the best quality at 5^s cwt. and so in proportion for a meaner quality or sort of hay.

"Good merchantable *White Pine Boards* not to exceed 48^s a thousand in Boston, and other lumber in proportion, and the price in other parts of this State to be in proportion thereunto, according to ancient customs and usages."

¹ Having found that it was difficult for the loan officers of this and other States, to hire money for the Union at four per cent., as at first expected and expressed in the certificates or notes, Congress vote to allow six for all, which has been or may be borrowed on their account. Such obligations formed no small share of the circulating medium.

² In order to obstruct the facilities for counterfeiting the treasury notes of our Commonwealth, the House pass a resolve, that particular exertion be made by some paper maker to manufacture sheets for such money, and "that the word State, or some other word, be stampt or wrought in the body of the paper of each note, and that said paper maker shall oblige himself by oath never to make any

May
3.

¹ Journal of Congress.

² Resolves of the General Assembly.

1777. more without special leave of this Court." The crime here referred to, was considered peculiarly aggravated by our fathers, because one efficient means of encumbering their exertions for freedom. Hence, they give authority to officers of justice to enter and search any house, suspected of containing the implements of such iniquity.

Public sentiment being not yet sufficiently purified from the error of supposing, that the Scriptural allowance for casting lots in certain cases, comprised lottery chances, Congress resorted to the latter means in order to get some supply for the national necessities. ¹Hence, among the varieties of paper currency, in that dark period, we have the subsequent form, dated as in the opposite margin :

| | NUMBER. | DOLLARS. | NUMBER. |
|---------------------------|--|---|-------------------------------|
| DOLLARS. | <i>The United States of America acknowledge themselves to be indebted to</i> | | |
| UNITED STATES
LOTTERY. | | | <i>in</i> |
| | | <i>dollars, being for prize of that value drawn in the United States Lottery, which they promise to pay to the said</i> | |
| | | | <i>or bearer, on</i> |
| | <i>the</i> | <i>day of</i> | <i>with interest annually</i> |
| | <i>at the rate of four per cent., agreeable to a resolution of the United States, passed the eighteenth of November, 1776.</i> | | |

June 25. ²A delegation is appointed by the Legislature to meet others from the rest of New England and New York, at Springfield, on the 10th of July. The objects of this Convention were of national concern. Among them was to devise the best method of arresting the depreciation and counterfeiting of the paper money, and of having it recalled by taxes or otherwise.

July 3. ³It is ascertained that the British were strongly disposed to use other weapons than those of customary warfare, for retaining their dominion over this country. A large amount of counterfeit bills, in imitation of such as were emitted by Congress, had been brought from the English ships into the Delaware and partly circulated.

¹ Journal of Congress.

² General Court Records.

³ Secret Journal of Congress.

¹ To throw up one barrier against the fearful fall of our own bills as well as those of other States, it is ordered, that, in the place of increasing them in this Commonwealth to meet the charges of war, taxes shall be levied and assessed on the people, and be punctually collected. 1777.
Oct.
9.

² Reduced to the conviction, that if such paper should be increased as it had been, or even if the most of it should be allowed to pass, the energies of the country would be paralysed, our Legislature prohibit its currency in all sums over six shillings. One necessity which urged on this measure, was that the Continental notes, which in January had depreciated five per cent., had by this date sunk so as to pass three for one of specie. This was not merely a rapid but a very alarming diminution, which called for every possible remedy. As our Commonwealth could not command the means for speedy liquidation of the bills paid out of their own treasury, it is ordered that they be exchanged for obligations of not less than £10, with legal interest, payable annually. This was only moving the burden of public responsibility further ahead, in the hope of a better period for its discharge. In connection with these regulations, no paper money of other States was to be taken after December first, on a certain penalty. From the first movement of our State authorities to obtain pecuniary supplies for the Revolutionary struggle, to this gathering in of their notes, they had borrowed £956,400 on treasury securities, and issued £500,042 in bills of credit. Besides this amount paid out in two years, there was a large sum of Continental paper, received for military stores and service, circulating among our population. However the object of nullifying the credit of Massachusetts bills was to invigorate and restore that of the national ones, still the sequel showed, that such an effect was far less than was generally hoped and anticipated. The alteration resembled that of 1751, so far as drawing in the paper currency of the Commonwealth, but not with so available means and so fair a prospect of preserving the public credit. Then the price of our Provincial bravery

¹ Resolves of the General Assembly.

² Acts of Massachusetts.

1777. and sacrifices in the capture and retention of Cape Breton, as paid in coin from the Royal exchequer, was a medium far better to redeem sinking notes, than merely to return one species of them for another. But when men cannot do as they would—in reference to many social concerns—they must do as they can. It was but poor philosophy which induced Aristotle to throw himself into a river and there drown, because he could not bear the disappointment of his endeavors to explain the fluctuation of the tides. Our civil authorities, though unable to solve the numerous and perplexing questions which arose in their councils, as to the management of their pecuniary affairs, did not suffer them to prove the end either of their life or of their efforts. Though they had no regal coffers, whence they could draw the amount of their public disbursements, yet they could look for relief from the natural resources of the country. True, their expectations of help depended upon the success of their arms. True—if conquered—the gloom of desolated credit, the loss of all right to liquidate their pledges to the lenders of the Commonwealth, the forfeiture of every obligation for money advanced to sustain the Revolution, must inevitably follow. Still, they took courage and did the best their circumstances allowed.

Nov. 15. ¹ Massachusetts, in common with other members of the Union, agree on the articles of Confederation, wherein power is delegated to Congress to borrow money, issue bills on the responsibility of the States and regulate the alloy and value of coin. By another clause of the same compact, all notes previously emitted and obligations given by the general administration, are to be accounted a charge against the whole country, for the liquidation of which, the national promise is to be considered as solemnly and sacredly pledged.

17. ² In a circular to the several members of the Union, Congress speak of the Confederation, as the source, whence they expected much benefit. They ardently regarded it, as the restorer of their depreciated paper and the supporter of public confidence.

¹ Journal of Congress.

² Journal of Congress.

¹ An address is made by the same authorities to their constituents. While proposing to raise five millions of dollars for the next year by way of tax, of which Massachusetts was assessed \$820,000, a larger rate than that of any other part of the Republic, it advances the succeeding ideas in relation to paper currency. To meet the demands for sustaining our land and naval forces, large amounts of it had been issued from the National as well as from the State Treasuries. In this manner it was multiplied beyond the limits of sound policy. It is an assumed truth, that wherever the sum of any currency "exceeds what is useful, as a medium of commerce, its comparative value must be proportionably reduced." For this cause, in connection with efforts of open and secret enemies, the overreaching disposition of many in community, and the scarcity of foreign goods, there has been a great reduction in the value of such paper. Convinced that the necessities of the country could not be supplied by this medium of exchange, and the period for its redemption must come, Congress were constrained, to adopt the unpopular measure of laying heavy taxes on the inhabitants. It is also recommended, that all the States call in their bills over one dollar, and depend on annual taxation to pay their individual expenses. It is further advised that they send delegates to specified places for agreeing on prices of labor and merchandize, and for suppressing monopolies and extortion. Discoursing in such language, which came from hearts warm with patriotism, and reached ears, not dull to comprehend its sad realities, the address was sped, as on eagles' wings, through the land.

It is readily perceived, that, with regard to the counsel in this address of the General Government, for each State to rely on assessments of property for the payment of its charges, and not on factitious currency, and to gather in all such money exceeding a dollar, Massachusetts had been beforehand, and the records of her legislation had already borne testimony to the wisdom and promptness of

¹ Journal of Congress.

1777. her action. It is no flattery to say, that this Commonwealth freed herself from the charge, once brought against the metropolis of Italy, "Rome deliberates and Saguntum perishes."

Dec. 3. ¹ As having a common concern and participation in the national bills, this State is interested in the attempts of foes to the Union, for destroying all confidence in such currency. An endeavor of this sort consisted in the formation of associations, who pass notes under the pretended authority of the King of Great Britain. Congress resolve, that whoever has been deceived by such paper so as to take it for genuine, may exchange it for that of theirs. This was accommodation, which strict justice did not require, though benevolence for the defrauded did propose.

1778. ² The members of Congress from Massachusetts are notified, that the articles of Confederation have been accepted here. This event is noticed, because it was still viewed as an omen for much improvement in our pecuniary perplexities. But the same disappointment, which betided it, in reference to the General Government, as before intimated, was experienced by our own Legislature as well as people.

May 8. ³ Among the various influences, which increased suspicion of the Continental paper, was the frequent allegation of friends to the Crown, that it was worth nothing, and that the debt, resulting from the diminution of its value and from charges of the war, could never be paid by the inhabitants. Such predictions found so many believers, it was matter of solicitude with our leaders in the struggle for independence.

Oct. 13. ⁴ As the period was about to close for the redemption of our State bills of six shillings and under, dated before October 18, 1776, an order is passed, that they be returned to the Treasury and exchanged for a new set.

Dec. 29. ⁵ Among the rumors, on which eager and anxious curiosity often dwells in times of perilous enterprise, adverse to the national currency, is the one, that the General

¹ Journal of Congress.

² Journal of Congress.

³ Journal of Congress.

⁴ General Court Records.

⁵ Journal of Congress.

Administration neither meant to redeem it, nor to grant 1778.
any allowance for it as paid to the soldiery. So very ~~~~~
serious an aspect did this story assume, that such authori-
ties felt themselves constrained to pass a resolve, "that
the said report is false and derogatory to the honor of
Congress."

¹ In order to lessen the impression of such tales, but 1779.
especially to do as they purposed, our National Government Jan.
order, that the States pay their quotas of fifteen millions 2.
of dollars for the year 1779, and, also, six millions, from
the same date, annually for eighteen years, as a fund to sink
their notes up to 31st of December, 1778. They further
resolve, that, as their bills, issued May 20, 1777, and April
11, 1778, had been extensively counterfeited, and particu-
larly of late in New York, and spread through the country,
enhancing the price of provisions and injuring our cur-
rency, such paper shall immediately cease to be passed.

² Deeply anxious to lessen the apprehensions of the 13.
public mind, concerning the fall of the United States'
notes, Congress mention their alliance with France as a
ground for reasonable belief, that better days and brighter
scenes were at hand. But in this, also, however they
were sincere in their proffers of encouragement, they were
to be much disappointed.

³ In compliance with the injunction of these authorities, 27.
our Legislature prohibit the bills of May 20, 1777, and of
April 11, 1778, from being taken by their collectors,
except for Continental taxes.

⁴ As one of the frequent occasions for our Commonwealth Feb.
to issue Treasury notes, £200,000 worth of them are 20.
ordered to be given out for the purpose of importing
provisions. In connection with this, a circular letter,
addressed to Southern States, is prepared and committed
to three agents. A passage from it shows the afflicted
condition of our people, and how unfavorable their wants
must have been to their monied concerns. It runs thus:—
"This State being almost wholly destitute of flour and

¹ Journal of Congress.

² Journal of Congress.

³ Resolves of the General Assembly.

⁴ Resolves of the General Assembly.

1779. grain, the General Assembly are impelled by urgent necessity to renew their application to your State for a supply of these essential articles, without which the inhabitants in general, and the sea ports in particular, must be reduced to a situation more easily to be conceived than expressed." That an appeal of this kind, specially adapted to awaken sympathy and meet the ready hand of benevolence, might be more impressive and effectual, Congress are requested to give it their particular recommendation.

April
20.

¹ The order of the General Government for the suppression of the notes emitted in 1777 and 1778, as previously particularized, has greatly embarrassed Massachusetts, because a large proportion of them had fallen upon their hands. For relief in the premises, Congress is petitioned to deposit other paper at the Loan Office in Boston, as an offset to \$800,000 of such prohibited currency. Our delegates there are also instructed to represent, that so low are the public finances here, and so great the advances in behalf of the Union, a most urgent pressure exists for this State to have from the National Exchequer \$500,000. Our Legislature say to the delegates, respecting this matter—"The bearer is empowered to receive any sum you may obtain, no time may be lost in returning him, as we hourly suffer for want of money."

June
11.

² A document of great importance to every member of the Confederation was ordered by Congress the 26th ult. It is now required by our Assembly to be printed and read by all the ministers of their jurisdiction, from the pulpit, on the first Sabbath after it reaches them. The subsequent passages from it are here adduced:—"The present situation of public affairs demands your most serious attention, and, particularly, the great and increasing depreciation of your currency requires the immediate, strenuous and united efforts of all true friends to their country, for preventing an extension of the mischiefs, that have already flowed from that source. For defraying the expenses of this uncommon war, your representatives to

¹ Resolves of the General Assembly. ² Resolves of the General Assembly.

Congress were obliged to emit paper money. They were 1779. very sensible of the inconveniences with which too frequent emissions would be attended, and endeavored to avoid them. For this purpose, they established loan offices so early as in October, 1776, and have from that time to this, repeatedly and earnestly solicited you to lend them money on the faith of the United States. The sums received on loan have nevertheless proved inadequate to the public exigencies. Our enemies prosecuting the war by sea and land with implacable fury and with some success, taxation at home and borrowing abroad, in the midst of difficulties and dangers, were alike impracticable. Hence, the continued necessity of new emissions. Your government being now established, and your ability to contend with your invaders ascertained, we have, on the most mature deliberation, judged it indispensably necessary to call upon you for forty-five millions of dollars, in addition to the fifteen millions required by a resolution of Congress the second of January last, to be paid into the Continental treasury before the first of January next, in the same proportion as to the quotas of the several States, with that for the said fifteen millions. Though it is manifest, that moderate taxation, in times of peace, will recover the credit of your currency; yet the encouragement which your enemies derive from its depreciation and the present exigencies demand great and speedy exertions." Such were the momentous relations involved with the facts of this circular, and such the inexpressible interest, which millions took in its development of the Republic's necessities, perils and prospects, that no messenger, like a Mercurius, was wanted to herald it through the country. Its severe expressions, as to the Britons, were natural under the exasperated state of passion, incident to a warfare, whose object, on the one hand, was subjection, and, on the other, independence. May they never more be allowed to have occasion for being repeated to so great and generous a kingdom. Gendered in a family quarrel, may they always be substituted by words of national benevolence and Christian intercourse.

1779. The situation of our general government, as depicted by their address, was very far from being enviable. As they witnessed the credit of their paper on a rapid decline, and learned that loans and taxes could not be procured so as to supply its place, they were forced still to try the deprecated experiment of renewed emissions of a similar currency. While pouring this out like water, they perceived with anguish, that its nominal abundance diminished its real value, and left the vacuum of want unsupplied, whose sound continually came to their ears like a warning curfew, and whose cry increasingly was, Give—give.

Sept. 1. ¹With such experience, Congress resolve, that their issues of such money shall, at no period, and under no circumstances, be to a greater amount than \$200,000,000. They had already reached this proposed maximum within \$40,051,120. But time was to prove, that, borne onward by an irresistible throng of necessities, they were to break over the barriers of their own erection, and to go far beyond them. Thus have concurrent events often shown, that the best devised purposes of human wisdom are set at naught, and the greatest efforts of human might become powerless.

23. ²A law, on one of the most absorbing topics of political economy, is passed by our Legislature. Its caption reads thus:—"Whereas this State are using their utmost endeavours to appreciate the currency of the United States, and there is great danger, that their laudable exertions will be entirely defeated, if measures are not speedily taken to prevent the inhabitants of this and the other United States from conveying articles out of this State," it is therefore enacted, that there shall be no exportation of them, either by land or water. Such articles were wine, ardent spirits, coffee, molasses, sugar, cocoa, chocolate, cotton wool, sheep's wool, wool cards, flax, salt, linen, cotton, cotton and linen, cotton and woollen goods, provisions, shoes, skins and leather. To this interdicted list, steel, hats, and India teas were added the ensuing month. Such a step was taken, that the established rule for the

¹ Journal of Congress.

² Massachusetts Laws.

prices of various goods might not be evaded, by the transportation and vending of them in other States, at a greater profit, and thus our own jurisdiction be left in distress. 1779.

Congress, still subject to severe rebuke from every quarter, because of the abundance and depreciation of their bills, prepared another appeal of September 13th, to the people.

¹ This document is required by our Assembly to be read, as usual, from the pulpit. It represents, that all the loans and taxes, from the whole nation, since the beginning of the Revolution, did not amount to one sixth of the public debt. Hence, it remarks, may the cause be clearly seen, why the finances of the country are so much embarrassed. It computes, as the chief item of such debt, the bills of credit still in circulation, which are estimated at \$159,948,880. It then furnishes us with the succeeding extracts. The depreciation of this money "is always either natural or artificial. The latter is our case. The artificial depreciation is a more serious subject. A distrust, however occasioned, entertained by the mass of the people, either in the ability or inclination of the United States to redeem their bills, is the cause of it. The ability of the United States must depend on two things; first, the success of the present revolution, and, secondly, on the sufficiency of the natural wealth, value, and resources of the country. That the time when honest men might, without being chargeable with timidity, have doubted the success of the present revolution, we admit; but that period is past." With regard to a prevalent fear, lest, if our independence should be achieved, the claims against the Republic would be disregarded, the appeal has the subsequent language. "The redemption of these bills, and the settlement of the accounts of the several States for expenditures or services for the common benefit, are among the objects of this Confederation, and consequently it cannot, so far as it may respect such objects, be dissolved, consistent with the laws of God or man." Then come the ensuing items. "In order to prevent the

Oct.
2.

¹ Resolves of the General Assembly.

1779. further natural depreciation of our bills, we have resolved to stop the press, and to call upon you for supplies by loans and taxes. Leave us not, therefore, without supplies, nor let in that flood of evils, which would follow from such neglect. Let it never be said, that America had no sooner become independent, than she became insolvent, or that her infant glories and growing fame were obscured and tarnished by broken contracts and violated faith, in the very hour when all the nations of the earth were admiring, and almost adoring the splendor of her rising." Such solicitude to raise the fallen value of the paper currency, by eloquent and rational arguments, was not only cherished by our supreme authorities, but also by the leading patriots of our own and other States. It was a common sentiment, taught by ministers at the altar, and cherished by themselves, as well as by most of their congregations. While, however, this solicitude was painful to the heart, was read upon the countenance and described in words, the people believed, that compliance with its full dictates was more than commensurate with their means of self-support, and of annually liquidating the heavy charges of war, as well as of the national debt already contracted. Hence, it failed in actuating them to multiply their burdens, already oppressive. The population being so situated, their delegates in the general administration were soon forced upon the hard and only choice of resorting to another mode of paper medium, whose final scene exhibited wider and greater calamity than that of its predecessor.

Dec. 22. ¹ As a convention were to meet in Philadelphia, the first Wednesday of January, composed of members from all the States, to consider the pecuniary and other interests of the Confederation, instructions are given to Elbridge Gerry and Samuel Osgood, as Commissioners of Massachusetts, to that body. One object of such a meeting, as proposed by Congress the preceding month, was the topic of limiting the prices of produce and merchandize, in order to improve the currency. As our Commonwealth had

¹ Resolves of the General Assembly.

already despaired as to the continued utility of a similar plan in New England and New York, which was not yet nullified, and believing that another effort of the kind would be of little use, the said gentlemen are accordingly empowered. 1779.

¹To supply their quotas for the Continental army, and act on equitable principles, the General Court had agreed, that all, who complied with the terms of such enlistment, should have the depreciation of paper money, which they might take for their service, made up to them, at the rate of beef at 3½^d a pound, corn at 4^s a bushel, wool at 2^s a pound, and sole leather at 1/3 a pound, as designated in the monopoly bill. With regard to this subject, which had become one of much magnitude and anxiety in the minds of our rulers, they request Congress to assure them, that Massachusetts shall not be a loser for thus doing what is right, and essential to invigorate their military energies for the national good. They also forward to the same authorities, a table of the depreciation, on the basis of which, they felt themselves bound to settle with the war-worn soldiery, or the heirs of those whose blood had sealed their patriotism. Jan. 13.

¹ Resolves of the General Assembly.

TABLE OF DEPRECIATION.

| Date. | Beef stated in the Monopoly Bill Indian contained in the Monopoly Bill at 4d and 3d in 5d per pound. | | | Wool stated at 2s per pound in said Bill. | | | Sole Leather stated at 1s 3d per pound. | | |
|----------------|--|-----------------------|----------|---|-----------------------|------------|---|-----------------------|------------|
| | Current Price Monthly. | Rate of Depreciation. | 1. for 1 | Current Price Monthly. | Rate of Depreciation. | 1.50 for 1 | Current Price Monthly. | Rate of Depreciation. | 1. for 1 |
| 1777. January. | 4d | 1.142 for 1 | 1. for 1 | 3s | 1.50 for 1 | 1.50 for 1 | 1s 3d | 1. for 1 | 1.16 for 1 |
| February. | 4d | 1.142 | 1. | 2s | 1. | 1. | 1s 3d | 1. | 1.03 |
| March. | 4d | 1.142 | 1. | 2s | 1. | 1. | 1s 3d | 1. | 1.03 |
| April. | 4d | 1.142 | 1. | 4s | 2. | 2. | 1s 3d | 1. | 1.28 |
| May. | 8d | 2.284 | 1. | 4s | 2. | 2. | 1s 3d | 1. | 1.57 |
| June. | 8d | 2.284 | 1.50 | 4s | 2. | 2. | 1s 3d | 1. | 1.60 |
| July. | 8d | 2.284 | 2. | 4s | 2. | 2. | 1s 3d | 1. | 1.82 |
| August. | 8d | 2.284 | 2.50 | 5s | 2.50 | 2.50 | 2s 10d | 2.25 | 2.38 |
| September. | 8d | 2.284 | 3. | 5s | 2.50 | 2.50 | 2s 10d | 2.25 | 2.50 |
| October. | 8d | 2.284 | 3. | 12s | 6. | 6. | 5s | 4. | 3.82 |
| November. | 8d | 2.284 | 3. | 12s | 6. | 6. | 5s | 4. | 3.82 |
| December. | 10d | 2.857 | 4. | 12s | 6. | 6. | 5s 7d | 4. | 4.34 |
| 1778. January. | 10d | 3.580 | 4.50 | 12s | 6. | 6. | 5s 7d | 4.50 | 4.50 |
| February. | 12d | 3.714 | 4.50 | 12s | 6. | 6. | 5s 7d | 4.50 | 4.64 |
| March. | 13d | 4.385 | 5. | 12s | 6. | 6. | 5s 7d | 4.50 | 4.80 |
| April. | 15d | 4.714 | 6. | 12s | 6. | 6. | 5s 7d | 4.50 | 5.19 |
| May. | 16d | 4.857 | 8. | 12s | 6. | 6. | 5s 7d | 4.50 | 5.80 |
| June. | 18d | 5.142 | 10. | 12s | 6. | 6. | 5s 7d | 4.50 | 5.91 |
| July. | 17d | 4.857 | 10. | 12s | 6. | 6. | 5s 7d | 4.50 | 6.34 |
| August. | 16d | 4.714 | 10. | 12s | 6. | 6. | 5s 7d | 4.50 | 6.30 |
| September. | 17d | 4.857 | 10. | 12s | 6. | 6. | 5s 7d | 4.50 | 6.75 |
| October. | 17d | 4.857 | 10. | 12s | 6. | 6. | 5s 7d | 4.50 | 6.90 |
| November. | 18d | 5.142 | 12. | 12s | 6. | 6. | 5s 7d | 4.50 | 6.97 |
| December. | 18d | 5.142 | 13. | 12s | 6. | 6. | 5s 7d | 4.50 | 7.47 |
| 1779. January. | 1s 10d | 6.285 | 14. | 15s | 7.50 | 7.50 | 8s 5d | 6.75 | 8.38 |
| February. | 2s 2d | 6.837 | 15. | 15s | 7.50 | 7.50 | 8s 5d | 6.75 | 8.38 |
| March. | 3s 6d | 12. | 16. | 15s | 7.50 | 7.50 | 11s 3d | 9. | 9.34 |
| April. | 4s 6d | 15.428 | 18. | 18s | 9. | 9. | 11s 3d | 9. | 10.87 |
| May. | 6s | 20.571 | 20. | 18s | 9. | 9. | 11s 3d | 9. | 12.35 |
| June. | 6s 6d | 22.985 | 30. | 20s | 10. | 10. | 16s 10d | 13.50 | 14.14 |
| July. | 6s 6d | 22.985 | 30. | 30s 6d | 15. | 15. | 16s 3d | 18. | 16.02 |
| August. | 6s 6d | 22.985 | 30. | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |
| September. | 6s 6d | 20.571 | 22.50 | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |
| October. | 6s 6d | 20.571 | 22.50 | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |
| November. | 6s 6d | 22.285 | 25. | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |
| December. | 7s 9d | 24. | 40. | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |
| 1780. January. | 8s 9d | 30. | 40. | 30s 6d | 15. | 15. | 16s 3d | 18. | 22.57 |

¹ Letters are ordered by our Legislature for the States of New York, Connecticut, Rhode Island and New Hampshire, on the subject of the inland embargoes. The object of these restrictive measures was, as previously denoted, to hinder the downward tendency of the bills of credit, by retaining the products and other goods of each State, within its own territory, and having them sold at reasonable prices. Our Government relate, in such communications, that they have a bill before them for the repeal of their embargo, as recommended by Congress, August 21, 1779, and a Convention of the five eastern States the succeeding September. They observe, that this bill would have been enacted, had the four other jurisdictions done the same; but as they have not, and unless the step of repeal should be taken by all concerned simultaneously, it would have an injurious effect on the first taking it, they suspend their final action on the matter. As their conclusion, they say, "We request an early answer to this letter, that we may the sooner be enabled to remove the inconveniences, and prevent the jealousies, which embargo acts have a natural tendency to produce, and speedily to restore unconfined intercourse in commerce, which must always operate to the mutual advantage of the respective States."

1780.

Jan.
14.

² Still on the alert to remedy the abounding evils of a sinking currency, Congress determine to try a new method. By such a change, they are, at last, freed from despondency as to the past experiment, and are temporarily cheered with the hope of success in the present. We could heartily wish, that the fruits of their anticipation had been more than visionary. But they found, that let them turn which way they would in this great concern, the brightness of imagination was soon converted to the darkness of adversity. Of the alteration so made, we have the subsequent details. The States are to pay the Continental Treasury \$15,000,000 a month. Forty dollars of the national paper are to equal one of specie, and all of it gathered in at this rate, shall be consumed. There is to

March
18.¹ Resolves of the General Assembly.² Journal of Congress.

1780. be a new emission of bills, equal to, and payable in silver and gold, within six years, at five per cent. This paper shall be issued on the funds of individual States, and the promise of the whole country pledged for the liquidation of whatever portion of it any of them may fail to redeem. Each State is to have a portion of such notes, according to its national tax, and place them in the Loan office there, from which they may be drawn completed for circulation, in the proportion of twenty dollars of the old tenor, for one of the new. Of its quota of the last money every Commonwealth is to have six-tenths, and the United States four-tenths, which sum shall be credited to the former government.

May 5. ¹ In compliance with these Congressional instructions, Massachusetts order an issue of bills, not to exceed £460,000. To the general phraseology of this paper, as applicable to all the jurisdictions of the Union, our Commonwealth add particulars suited to their relations.

Thus coming to the view of the public, who watched its condition and bearings with eager curiosity and intense feeling, as their last hope of a good paper currency, such an emission passes ere long from its source in every direction.

As a sample, we are presented with the copy of an original note of this class, which has survived the many hands which handled it, and lived, like an aged pensioner, to look out, from its antique depository, upon the widespread blessings which it aided to achieve.

Eight dollars.

State of Massachusetts Bay.

No. 7928.

Eight dollars.

The possessor of this Bill shall be paid eight Spanish milled dollars, by the thirty-first day of December, one thousand seven hundred and eighty-six, with interest in like money, at the rate of five per centum per annum, by the State of Massachusetts Bay, according to an Act

¹ Acts of Massachusetts.

of the Legislature of the said State, of the fifth day of 1780.
May, 1780.

Interest. s d q
Annually, 2 4 3
Monthly, 2 1½

R. CRANCH,
THO'S DAWES.

Endorsement on the bill.

The United States insure the payment of the within Bill, and will draw Bills of exchange for the interest annually, if demanded, according to a resolution of Congress, of the 18th of March, 1780.

PETER BOYER.

However such money came out with all the guaranties, which the General and State governments could give it, still, being preceded by the wrecks of similar currency, it encountered no small degree of distrust. Not made payable on demand, but the period of its redemption put off more than six years, it was not likely to be secured against a fall in its par value. Such a deferring of payment at the Treasury had been one main cause, why its kindred paper had previously suffered so greatly in its credit. Under these unpropitious circumstances, the new tenor did not obtain a circulation till the first day of August. On this account, the Assembly subsequently order, that its interest shall be estimated from such a date.

Some of the most threatening objections to the circulation of this emission, may be perceived in what follows. Among the forces under Washington, much opposition was manifested against the Continental bills. ¹He writes May 27. from Morristown, that such an exhibition of their views and feelings, filled him with deep concern. Rochambeau, in a letter to the Count de Vergennes, observes that on his July 16. arrival at Newport, the country was in a consternation about paper money, which had fallen to sixty for one of specie, and even Government took it at forty for one. Washington, in corresponding with Congress on this sub- Aug. 20. ject, states, that an effort had been made among his troops

¹ Sparks's Writings of Washington.

1780. to render their notes altogether uncurrent in the camp.
 ~~~~~ On this point he remarks, "Every method has been taken to counteract it, because such a combination in the army would be a severe blow to our declining currency." Issued under such signs of resistance to the old tenor notes, there is no wonder, that the new should have been coldly received, and scarcely admitted to the confidence of the public.

Not only was there a marked disaffection in the army against every kind of such money, but also among the recruits of our Commonwealth.

Nov. <sup>1</sup> For this reason, the Legislature make special applica-  
 16. tion, and offer liberal encouragement for loans of gold and silver, to pay their quota of men for military service.

<sup>2</sup> By this time hard money had become plenty here, and in other parts of the country. Large quantities of it came from the French and British forces, from Havana and other foreign parts, and from prizes captured in the West Indies. While it passed freely among the population, not a dollar of it could be found in the State Treasury, because a thousand claims stood there unsatisfied, and ready  
 1781. to seize upon it, as soon as its sound was heard. <sup>3</sup> To  
 Jan. pay the interest due "on public securities, and redeem  
 18. and destroy one seventh part" of the last order of bills, the Legislature require, that of a heavy tax, being £939,075, equal to specie, \$72,000 of it shall be collected in hard money.

Feb. <sup>4</sup> As public watchmen for the welfare of the community,  
 26. our political authorities make an address to the people, in which they ingenuously confess their difficulties on the subject of paper currency. This document furnishes us with the subsequent desires, opinions, advice and facts. Considering the failure of government to sustain the credit of their bills, there can be no wonder, that the confidence of the people in it had been shaken. Still, as this lapse was a misfortune and not a crime, it is hoped that their virtue and patriotism will lead them to befriend such cur-

<sup>1</sup> Resolves of the Assembly.

<sup>2</sup> Bradford's Massachusetts —  
 Gouge.

<sup>3</sup> Resolves of the Assembly.

<sup>4</sup> Resolves of the Assembly.

rency, as the best means of relief which stern necessity of circumstances would allow. "The value of money which is but a representative of property, will ever be regulated by the common consent of the people at large; hence attempts of any Legislature to regulate it must prove abortive." 1781.

When the Assembly emitted the last bills, guaranteed by the United States, they estimated them on a par with specie, and those preceding them, at one fortieth of such value. But before the former could be thrown into circulation, the latter had sunk to seventy-five for one. In this way the Commonwealth were liable to a loss of seven fifteenths of the whole amount which was to be issued. On this account, the Treasurer was ordered not to pay out one seventh of the sum first intended for circulation. The <sup>1</sup> clause, which delayed the redemption of this currency to 1786, has been lately repealed, so that the creditors of the State may not be liable to suffer in the manner they had been. While informed of these things, the people are also told, that the debt of the Commonwealth is £1,200,000. With this burden upon them, and with a full explanation of the basis on which their paper money rests, they are exhorted to gird themselves up to their necessities, preserve equanimity amid their difficulties, discharge their several obligations, and believe that the bow of promise betokened for them a brighter and a better day.

While the old emission money of Congress was legally set at the rate of seventy-five dollars for one of specie in our Commonwealth, it fell to a hundred and twenty in Philadelphia. This difference subjected our dealers to great imposition. One marked case may serve as a sample:—A noted merchant of Boston received a large amount of such paper from a friend of his in the former metropolis, with instructions to buy whatever saleable articles he conveniently could. Accordingly he went to the principal stores which were filled with dry goods. He pointed to

<sup>1</sup> The Acts for this and the retention of a seventh part of the new tenor bills, passed to be enacted Jan-

uary 2, 1781, and were enacted the succeeding 10th of March.

1781. a shelf of cotton, of linen, and so on, inquiring the price, and when told, said, "I will take the whole lot." But when he came to pay the venders in the old Continental notes, they were exceedingly provoked. Still, the law afforded them no remedy. While the purchaser brought on himself severe recriminations, his friend in Philadelphia made an enormous profit by the difference in the rate of such currency here and there. Instances of this sort aided, in this quarter, to bring its credit to a speedy termination.

March 1. <sup>1</sup> Among the articles of confederation which are now formally agreed on, and to which the eye of the nation was directed—as a guide from the mazes of their perplexity—one grants to Congress the sole power of regulating the alloy and value of coin, whether struck by the order of individual States or by their own.

<sup>2</sup> It is with no small uneasiness of mind, that our Civil authorities perceive that a large amount of the Continental notes was not recalled as it was to have been by other States, and that it is likely to become altogether valueless among their constituents. For averting so serious an evil, they order notifications to be posted up in all towns for an account of such paper to be forwarded, so that they may apply to the General Government for having it immediately redeemed. Before taking this step, our Legislature had called in the quota of such money assigned to them by Congress, so that none could cast into their teeth the charge of inconsistency.

9. <sup>3</sup> As an evidence of the extreme emptiness of our State treasury for public use as well as for private claims, we give the following:—It appears that after a session of sorrowful legislation with regard to various topics, which were much affected by the embarrassed condition of the currency, the roll of service was made up for our Senators and Representatives. But the word is, there is nothing to pay for their attendance and travel, the necessities of the Commonwealth have been so urgent, that no cash remains

<sup>1</sup> Journal of Congress.

<sup>2</sup> General Court Records.

<sup>3</sup> Resolves of the General Assembly.

to satisfy the dues of its Rulers. They calmly bowed to the exigency and went to their homes. While saying to the people, the treasury is exhausted for you, they did not retain enough to meet their own demands. While giving them precepts on patience, they practised the same self-denial. This is one of the sunny spots, as to human character, in periods of prevailing tribulation, on which the mind loves to dwell.

<sup>1</sup> As compensation to the many holders of our treasury notes, for not receiving their interest when falling due, it is enacted, that they shall have annual compound interest, and be exempted from all taxes on such securities. This was demonstration of honest motives, though insolvency deferred the accomplishment of them.

Owing to the adversity which attended the plans and operations of banking, as solely conducted by the government of State or Nation, since the commencement of the Revolution, a prevalent desire of the country at large was cherished and expressed, that such business might be tried upon more private responsibility. But aware of the long and heavy troubles which had befallen several associations of this kind before their rupture with Great Britain, as well as similar schemes of the Assembly in Massachusetts, then and afterwards, the majority of our population were far from greeting the proposed enterprise, as one likely to benefit the public. They suspected that every pecuniary project of this sort, whatever aspect it might assume, could not be so essentially altered as to confer on the community a greater good than evil.

<sup>2</sup> Hence, when the question is tried in Congress, whether the Bank of North America shall have a Charter, our Representatives are numbered with others in the negative. Still, this <sup>3</sup> institution has a majority there in its favor, and with a capital of \$400,000, is to be considered as prepared for beginning business when its list of stockholders is completed. But whatever objections were brought against this monied corporation,

1781.  
March  
10.

May  
26.

<sup>1</sup> Resolves of the Assembly.

<sup>2</sup> Journal of Congress.

<sup>3</sup> Subscriptions to the stock of this

bank were finished December 31, 1781, and it commenced operations January 7, 1782.

1781. it was so judiciously and safely managed, was of so great assistance to the General Administration in improving their deeply embarrassed finances, and in doing much to revive their prostrate credit, that many who dreaded it as an instrument of enlarging the distresses of our country, became its warm friends and supporters.

While this bank was ere long to try the doubtful experiment whether the people would receive its notes and continue to trust in them as equivalent to specie, we may revert to the amount and condition of the old and new emissions of Continental bills. <sup>1</sup>The sum, which had been directly paid out of the national treasury in the first, was \$357,476,541, and that, which it circulated through the several State treasuries in the last, was \$2,070,485 and a fraction. The immense amount of the former tenor, which was still unredeemed, and which had sunk to five hundred for one of hard money, ceases to circulate as a medium of exchange. With the strong current of such an example against it, the latter or new tenor had diminished in worth, so that three of it would bring only a dollar in specie.

May  
31.

July  
5.

<sup>2</sup> Assured that it would be worse than vain to stem the tide of prejudice, which threatened to bear away every relic of confidence in the remaining public bills, our Legislature forbid them to be presented as a legal tender at any rate whatever. They also release the Judges of the Supreme Court from the service of making their stated reports as to the unsteady value of such paper. Thus we have the recorded downfall of our chief national currency. Necessity drove our civil fathers to its adoption. Could and would the people have paid all needed taxes in gold and silver, neither States nor Congress, with the beacons of past and bitter experience in pecuniary concerns all around them, would have ventured upon another experiment of such a medium. They were in the painful alternative of either resorting to this expedient, or else give up the contest and every hope of liberty. Of the two, they preferred the less evil, though by no means a

<sup>1</sup> Gouge on American Banking.

<sup>2</sup> General Court Records.



light one, and acted in accordance with the decision. 1781. Thus committed, they did everything which the caution, vigilance, activity and wisdom of men in their situation could do. They had already launched upon the troubled waves of revolution, and sooner than return, they resolved to improve the best resources in their power, however far from being eligible, so that their course might be onward. Their feelings could harmonize with the language of Ovid:

“Serò respicitur tellus, ubi fune soluto,  
Currit in immensum panda carina salum;”

Or, “It is too late to look back upon the land, when the cable being loosed, the vessel is making her way into the immense deep.” So situated, our political authorities tried one mode and another in order to have as small a quantity of notes as possible thrown upon the community. Still, call upon call, both imperative and irresistible, forced emissions from them, far beyond what they expected or even imagined, until their number was hundreds of millions. Thus multiplied and brought into suspicion by many adverse incidents, such currency fell from one grade to another, though the whole country was pledged for its redemption, until it was brought so low, that legislative interference cut short the degraded and lingering existence of its credit. This was an event which did not occur unnoticed and unfelt. It sent a thrill of anguish through many a heart, which, though ‘not despairing of the Republic,’ was deeply solicitous for its honor as well as for its success.

<sup>1</sup> As no efficient measures had been taken to recall the Continental bills, which were a surplus over what this State was obligated to redeem, and which had sunk in the hands of its inhabitants, our Representatives in Congress are instructed to move, that such paper may be collected into the treasury here, and charged against the Union. July 8.

<sup>2</sup> Though the new tenor money had been placed under the ban of the Assembly, yet they feel responsible for their quota. They empower the Collectors of State taxes to

<sup>1</sup> General Court Records.

<sup>2</sup> Resolves of the General Assembly.

1781. take it at one and seven eighths for one silver dollar.  
 This was an allowance much more favorable than the market price.

July 12. <sup>1</sup> So completely had the old tenor notes run down, that scarcely a person would receive them for the necessaries of life. Samuel Osgood, one of our delegation in Congress, writes respecting it, from Philadelphia to Harrison Gray, the Treasurer. He relates that he had taken the liberty to draw for a small sum of specie, and trusted that this would be approved by the Legislature, and adds, "at present I do not think we can subsist without hard money."

Sept. 25. <sup>2</sup> Perceiving that the last emission still tended downward, and was now four for one of specie, the General Court, with the feelings of sorrow, order the Treasurer neither to issue nor take any more of them on loan.

With regard to this paper, and also to the Continental bills, we have the succeeding table :

#### Oct. 1. MASSACHUSETTS SCALE OF DEPRECIATION.

Agreeably to a Law of the State for the settling of Contracts, both public and private, made on and since the first Day of January, 1777.

*One Hundred Dollars in Gold or Silver, in January, 1777, being equal to One Hundred and Five Dollars in the Bills of Credit of the United States.*

##### *One Thousand Seven Hundred and Seventy Seven.*

|                   |                |                 |                  |
|-------------------|----------------|-----------------|------------------|
| January, . . 105  | April, . . 112 | July, . . 125   | October, . . 275 |
| February, . . 107 | May, . . 115   | August, . . 150 | November, 300    |
| March, . . 109    | June, . . 120  | September, 175  | December, 310    |

##### *One Thousand Seven Hundred and Seventy Eight.*

|                   |                |                 |                  |
|-------------------|----------------|-----------------|------------------|
| January, . . 325  | April, . . 400 | July, . . 425   | October, . . 500 |
| February, . . 350 | May, . . 400   | August, . . 450 | November, 543    |
| March, . . 375    | June, . . 400  | September, 475  | December, 634    |

##### *One Thousand Seven Hundred and Seventy Nine.*

|                   |                 |                  |                   |
|-------------------|-----------------|------------------|-------------------|
| January, . . 742  | April, . . 1104 | July, . . 1477   | October, . . 2030 |
| February, . . 863 | May, . . 1125   | August, . . 1630 | November, 2308    |
| March, . . 1000   | June, . . 1342  | September, 1800  | December, 2593    |

##### *One Thousand Seven Hundred and Eighty.*

|                   |                |                 |                 |
|-------------------|----------------|-----------------|-----------------|
| January, . . 2934 | February, 3322 | March, . . 3736 | April, . . 4000 |
|-------------------|----------------|-----------------|-----------------|

*From April 1st, 1780, to April 20th, one Spanish mill'd Dollar was equal to Forty of the Old Emission.*

|                    |                   |                    |                             |
|--------------------|-------------------|--------------------|-----------------------------|
| April 25th, . . 42 | May 20th, . . 54  | June 20th, . . 69  | Nov. 30th, . . 74           |
| April 30th, . . 44 | May 27th, . . 60  | August 15th, 70    | February 27th, 1781, . . 75 |
| May 5th, . . 46    | May 30th, . . 62  | Sept. 10th, . . 71 |                             |
| May 10th, . . 47   | June 10th, . . 64 | October 15th, 72   |                             |
| May 15th, . . 49   | June 15th, . . 68 | Nov. 10th, . . 73  |                             |

One Dollar and seven eighths of a Dollar in New Emission equal to One Dollar in Specie from the 27th of February, 1781, to the 1st of May following; from the 1st to the 25th of May, two and one quarter of the New Emission for One in Specie; from the 25th of May to the 15th of June, three of the New Emission for One in Specie; and from the 15th of June to the 1st of October, four of the New Emission equal to One in Specie.

<sup>1</sup> Letter from Hon. Samuel Osgood. <sup>2</sup> Resolves of the Gen. Assembly.

Desirous to gather in this currency before it sunk still lower, so far as they had issued it on account of this Commonwealth, the Assembly require it to be exchanged at the present rate for gold and silver, and be no more circulated. 1781. Nov. 1.

<sup>1</sup> However, the North American Bank found little favor at its first appearance, in the estimation of the public here, yet its course had been so beneficial, the Legislature incorporate a branch of it on behalf of Massachusetts, in compliance with the wish of the General Government. A condition of this Act is, that no other similar association shall be allowed in this jurisdiction, while the war lasts with Great Britain. The penalty of death is also affixed to the offence of embezzling the funds of this branch by any of its officers. A resolve is passed, that the paper of this institution and the securities of the Congress, as signed by Robert Morris, shall be received towards a tax of £300,000, assessed last October on the people of this Commonwealth, and also for another of £200,000, voted the present session. 1782. March 8.

<sup>2</sup> With regard to notes given by the State Treasurer, they had not been allowed to be less than £10. But as many individuals had bills of a smaller value and were willing to have them consolidated, or the principal and interest of them added together, and loaned to the Commonwealth, he is instructed to issue such securities as low as £3. April 23.

<sup>3</sup> Among the obligations from Massachusetts, which served to constitute a part of the currency, were those held by officers and soldiers for the depreciation of their wages. Oct. 8.

In a letter of our Legislature to Congress, they express the apprehension, that if nothing be done for the relief of the inhabitants here, as to the great sum of Continental bills in their possession, which, had other States done their duty, would have been liquidated, there will be a serious deficiency in the national taxes. They write, at 21.

<sup>1</sup> Acts of Massachusetts.

<sup>2</sup> Resolves of the Gen. Assembly.

<sup>3</sup> Resolves of the General Assembly.

1782. the same time, to our Representatives there, that this Commonwealth had exchanged \$29,300,000 of the national paper money, and handed it to the Commissioner of loans as their very abundant proportion. They further assert, that the amount of such money, as other States ought to have redeemed, and as is now possessed by our people, is \$30,000,000, besides a great deal more, the account of which has not been forwarded to the Secretary. They propose that the delinquent States pay into the national treasury what is their quota of this surplus at the running price, so that the General Administration may have it redeemed and be responsible to its owners.

Dec. <sup>1</sup> Among the sufferings incident to the fallen condition of this paper, were those of the war-worn soldiery. Those of them in the army from this and other States, thus express themselves to Congress, respecting the notes which they had taken as the price of their toilsome and perilous service:—"Let the present value of those nominal obligations be ascertained by the monied men, and they will be found to be worth little indeed; and yet, trifling as they are, many have been under the sad necessity of parting with them, to prevent their families from actually starving." Stern necessity and not design, on the part of Government, brought upon such men too much of the experience of the noble Roman, when he was forced to make the petition—"date obolum Belisario."

Small <sup>2</sup> bills not over a dollar, are still issued plentifully by our Commonwealth, on its own particular account. All through the Revolutionary contest, thus far, they appear to have been sustained in their credit. They had an impression of the rising sun upon them, as emblematical of the ascending liberty of this and other members of the Union.

1783. <sup>3</sup> For the honor of their country as well as for doing  
Feb. righteously by its creditors, Congress propose that the  
12. several jurisdictions of the confederation consent to a pro-

<sup>1</sup> Journal of Congress.

<sup>2</sup> The plates of these and other bills are still remaining in the office of the Secretary of State.

<sup>3</sup> Journal of Congress.

portionable tax. In their appeal on this subject, prepared by Messrs. Ellsworth, Madison and Hamilton, their language is—"We call upon the justice and plighted faith of the several States to give it its proper effect, to reflect on the consequences of rejecting it, and to remember that Congress will not be answerable for them." Anxious for the accomplishment of this plan, Washington in a few months, gives it the support of his wise and eloquent circular to the people. Still, there was no bond sufficiently energetic between the members of our Union, to bring them over to the immediate adoption of so equitable a plan. Though our own Commonwealth harmonized with the movement in general, they did not in all its particulars. They believed and maintained, that for all to receive their dues from the national exchequer, the first step should be, that States which had delayed to call in their quotas of Continental bills, should henceforth do it, and thus relieve Massachusetts and others, which had punctually discharged this obligation, from the burden of large sums in such paper within their respective limits.

<sup>1</sup>As one means for redeeming the national bills and liquidating other debts both domestic and foreign, the General Government desire those States, which have not already done so, to make speedy cessions of their spare territory to the Union.

<sup>2</sup>Having watched the proceedings of the North American Bank and convinced of its being decidedly useful to the community, the Legislature grant the petition for Massachusetts Bank, with leave that it may own property to the amount of £550,000. This was the first institution of the kind, promoted solely by inhabitants of our Commonwealth, since that of the silver scheme and of the still more unfortunate Land Bank. While these were pressed into operation under the burden of legislative displeasure and were doomed to resistance in almost every direction, that was received with public and private favor, and extensively encouraged as the instrument of promoting the interests of trade and currency. Change of times

1783.

April  
18.1784.  
Feb.  
7.<sup>1</sup> Journal of Congress.<sup>2</sup> Acts of Massachusetts.

1784. and circumstances thus began to work a revolution in the opinions of the community, which has so greatly increased as to produce frequent apprehensions lest it be carried to ruinous excess.

Oct. 26. <sup>1</sup> Seeing that other States had altered the value of gold coin, so that it was higher in them than in ours, and consequently that all of it was likely to disappear from this Commonwealth, an Act is passed to regulate the price of it, as well as of silver and copper money, at the succeeding rates:—The English or French crown at 6/8; Spanish milled dollar 6<sup>s</sup>; English guinea of 5 dwts. 6 grs., 28<sup>s</sup>; French guinea of 5 dwts. 6 grs., 27/4; Portugal Johannes of 18 dwts., £4 16; moidore of 6 dwts. 18 grs., 36<sup>s</sup>; four pistole piece, called doubloon, 16 dwts. 12 grs., £4 8. The parts of all these coins are to pass in the like ratio of estimation. The gold pieces of the preceding sorts, if weighing more or less than the aforesaid standards, are to be a legal tender at £5 6 8 an ounce. In addition, three English farthings are valued at 1<sup>d</sup>, and English half-pence in the same proportion.

Though the banners of war had been furled and the promises of peace had blessed our country nearly two years, still the expectation of the people had far outrun sober reality as to the embarrassments consequent on the Revolutionary struggle. The tempest had passed, but the prospect bore many a sign of its power. <sup>2</sup> Among the dominant perplexities of the day, was the deranged condition of our currency. As a cause of it, Governor Bowdoin assigns extravagant importations, which leave the balance of trade greatly against the Commonwealth, and draw the specie to foreign shores. Another occasion of such a pecuniary condition was the heavy tax still paid by the people. Their quota of the national assessment this year was \$448,854. Besides, they had annual interest of £88,112 13 3 to pay on their State debt of £1,468,554 7 5, as well as to meet the expenses of their government. With severe burdens like these resting upon

<sup>1</sup> Acts of Massachusetts.

<sup>2</sup> Resolves of the General Assembly.

the community, there can be no wonder that monied concerns were unsettled, and at times awfully ominous. 1785.

<sup>1</sup> Inclining more to the policy of Solon than of Draco, our Legislature modify the law relative to the branch of the North American Bank in their jurisdiction. They order, that instead of death for fraud on such an establishment, the one convicted of it shall be sentenced to hard labor for life or a term of years, stand in the pillory at one or more times and places, not exceeding three, have an ear cropped, whipped once or several times, not above four, each of which not beyond thirty-nine stripes, sit on the gallows with a rope round his neck, branded in the forehead with F, imprisoned not longer than a year, fined at discretion of the Court, bound for good behaviour; or to any one or more of these punishments, as the nature of the crime may be. Nov. 1.

Doubt and darkness still hang upon the monied relations of this and all the States. <sup>2</sup> Congress explicitly aver, that the crisis has arrived, when the people must determine the momentous question whether they will punctually pay the taxes of the nation, and honor the public faith at home and abroad, and preserve their freedom, or, by timely want of more self-denial and sacrifice, they will give up the existence of their Union and the liberties they have gained. 1786. Feb. 15.

<sup>3</sup> As having a connection with this subject, Mr. Jay writes to General Washington:—"What I most fear is, that the better kind of people will be led, by the insecurity of property, to the loss of confidence in their rulers and the want of public faith and rectitude, to consider the claims of liberty as imaginary and delusive." 'The Father of his country' replied, that he feared a worse state of things was approaching, and that Congress must have more power for its prevention. While such patriots thus spoke, something was meant; the rumbling of adverse elements must have been heard, and an eruption dreaded. June.

<sup>4</sup> Though the last Continental bills, as issued by the July 7.

<sup>1</sup> Laws of Massachusetts.

<sup>3</sup> Pitkin's History of the United States.

<sup>2</sup> Journal of Congress.

<sup>4</sup> Resolves of the General Assembly.

1786. several States, had been refused at the treasury of our Commonwealth, still they have considerable circulation at the continued rate of four for one of specie.

July 8. As coin was scarce, the Governor is requested to inquire whether Massachusetts can be supplied with copper and silver coin, struck at the United States' Mint, when it shall have commenced operation.

Aug. 1. <sup>1</sup> With regard to the few banking establishments in the country, and the apparent increase of desire for adding to them, Washington writes to Thomas Jefferson—"Some of the States are, in my opinion, falling into very foolish and very wicked plans of emitting paper money."

8. <sup>2</sup> Though bills of credit, while issued by civil authorities, and sometimes taxes had been, for years, estimated in dollars, yet there was no law of Congress till now, that "the money of accounts" should be dollars, cents, dimes and mills. The same enactment orders, that the coins made in the United States' mint,<sup>3</sup> shall be, the cent and half cent, of copper; the dollar, half dollar, double dime, and the dime, of silver; the eagle and half eagle, of gold. The standard for gold and silver coins, is designated at eleven parts fine and one alloy. The eagle of \$10, is to weigh 246 grains  $\frac{268}{1000}$  and so pro rata for its half. The dollar is to weigh 375 grains  $\frac{64}{100}$ , and its parts in like proportion. A hundred cents of copper are to weigh  $2\frac{1}{4}$  lbs. avoirdupois. The mint <sup>4</sup> price of a pound, Troy weight, of uncoined silver of the fine and alloy aforesaid, is set at \$9 92, and of a pound of uncoined gold of like mixture, is \$209 77.

Oct. 17. <sup>5</sup> Being in want of specie currency, and supposing that the National mint would not accommodate their constituents so well as one of their own, our Assembly vote, that a like establishment be located here for the coinage of copper, silver and gold. Of the first sort they order \$70,000 worth of cents and half cents to be made as soon as practicable.

<sup>1</sup> Sparks' Writings of Washington.

<sup>2</sup> Journal of Congress.

<sup>3</sup> This mint was established October 16, 1786, and its officers chosen.

<sup>4</sup> This price was raised to \$13.77.7, October 16, 1786.

<sup>5</sup> Acts of Massachusetts.



<sup>1</sup> Among the several denominations of paper, which serve as a medium of exchange, besides the last tenor bills, are these four,—State, consolidated, army, and certificate notes. 1786.  
Nov.  
1.

<sup>2</sup> Owing to disarrangement of the currency, the morbid desire for a new issue of bills from the Treasury, the burden of taxation, the loss of confidence in government, the endurance of much distress, and, especially, to the erroneous view of the manner in which such evils should be remedied, the spirit of insurrection shows fearful signs in several of our counties. To suppress such suicidal conduct, the Legislature give the subsequent exposition. The debt of the Commonwealth, on its own account, is £1,326,446 18 2. It is also answerable for its quota of the National domestic and foreign debt, in the sum of £1,532,689 19. It has claims on the United States, which are equal to what it owes them, but as other members of the Union have like demands, there is not much prospect of relief in this respect. There is an expectation, that the National debt may be diminished by the sale of Western lands granted by Massachusetts and other States for such a purpose, and that the dues from this Commonwealth may be lessened by the disposal of Eastern lands. Though the bills of credit and other securities are at a low rate, they ought to be liquidated. On this point, the Assembly ask—"Can we be willing that the history of American Revolution shall be blackened with the tale, that we refused to redeem the securities we had given to effect it, and shall our posterity blush to hear of the event, because the perfidy of their ancestors exceeded their glory?" In reply to the dissatisfaction, which prevails against the Commonwealth's redeeming its paper at the face, because depreciated, they remark that it ought to be so cancelled. With regard to the popular discontent because the Treasury did not repeat its issue of bills, they make the succeeding observations:—"A full experiment of this State's ability to uphold the credit of a paper medium, was made in the case of the new emission; the

<sup>1</sup> Resolves of the General Assembly.

<sup>2</sup> General Court Records.

1786. faith of the United States and of this State were both pledged for its support. A fund was provided, sufficient to pay the interest, and, although when it first came into circulation it passed at the rate of one and seven-eighths for one; interest, to a large amount in silver, was paid upon the nominal sum, notwithstanding which, at the very time interest was paying, the currency rapidly depreciated. We presume there is not a man in the State who supposes, that if we emitted a paper currency it would not depreciate, and if it depreciated, it will pass at different rates in different places at the same time." Instead of complaints, let economy, temperance and virtue be practiced. "By such means we may falsify the invidious predictions of our enemies, that we should crumble to pieces and should be too corrupt to maintain republican freedom." Control of passions under these exciting and unpropitious circumstances, call for the strong arm of self-denial. Prudence and duty, both personal and relative, private and public, demanded that such submission should be exercised.

Nov. <sup>1</sup>To alleviate the embarrassed condition of many who  
15. had property but could not raise money to pay their creditors, a law is enacted that the collection of private debts be suspended on certain limitations. Sure and dreadful demonstration, that the foundations of a regular currency were broken up, and that nothing short of Legislative interference could arrest the torrent of desolation, urged on by necessity, which heeds no appeals of indulgence, and rolling over the barriers of mercy and justice!

1787. <sup>2</sup>Notwithstanding our political authorities showed all  
Feb. the favor they could to their distressed constituents, the  
4. banners of actual rebellion had been raised, and proclamation is accordingly made. Such a crisis threatened to accomplish the oft repeated prediction, that the labor of our fathers for liberty would be lost; that their immense sacrifices of treasure and life, for such a boon, would all be in vain; that their bright anticipations of freedom would be sunk in the horrors of civil warfare, and terminated in the thick darkness of tyranny. But a watchful

<sup>1</sup> General Court Records.

<sup>2</sup> General Court Records.

Providence had a better portion in store for our distracted Commonwealth. As is well known, the forces which Governor Bowdoin ordered to march against the insurgents were amply successful. One benefit, divinely educa- 1787.  
 from so menacing a sedition, as well as from the partial appearance of it in New Hampshire and Connecticut, was the more speedy adoption of the National Constitution, which greatly promoted the pecuniary interests of this and every State, and thus tended to raise community from the depths of discord and misery.

<sup>1</sup> After unexpected delays, further steps are taken to advance the mint of Massachusetts. Joshua Witherel is empowered to have the needed buildings erected and suitable machinery provided. Part of these works were on Boston Neck and the rest at Dedham. May.

<sup>2</sup> By order of the General Government, their copper coin is to bear the ensuing devices. On one side, "thirteen circles linked together, a small circle in the middle," with the phrase, "United States," round it, and in the centre, "we are one." On the other side, a dial with the hours expressed on the face of it, with "Fugio" on the left, and "1787" on the right, a meridian sun above the dial, and below it, "mind your business." July 6.

<sup>3</sup> A Constitution is presented to Congress for the country, as reported by delegates from the States, recently convened in Philadelphia. It is regarded by the friends of order and rational freedom, as essential to endow the National Administration with power sufficient to repair and regulate the system of the currency. Until finally adopted, it was watched in its going from Congress to the individual States for their sanction, and in its returning thither for full acceptance, with deep feelings of anxiety as the only palladium of our liberties. One of its sections expressly provides, that no State shall "coin money, emit bills of credit, make any thing but gold and silver coin a tender in payment of debts." This provision, with regard to paper money, as issued and conducted by Legislative Treasuries, was taught in the school of bitter and oft repeated adver- Sept. 28.

<sup>1</sup> General Court Records. <sup>2</sup> Journal of Congress. <sup>3</sup> Journal of Congress.

1787. sity. It gave the coup de grace to a custom, which was not merely broken itself, but had brought on whole Provinces much suffering, with less relief, even before the Revolutionary contest.

1788. <sup>1</sup> While the Constitution was under deliberation in a Jan. Convention of Massachusetts, the eyes of the rest of the nation were directed towards them, and waited with strong solicitude the result of their debates. A reason for this was, that there were several parties among our people, who, it was apprehended, would not come to a conclusion either safe for themselves or the country. They were classified as follows:—One, who occupied lands in Maine without legal authority; another of the late insurgents and their advocates; a third, urgent for bills of credit and tender laws; and a further, on whom hope rested for good, who were supporters of equitable government. But among such conflicting elements, there was a greater proportion of true patriotism, which preponderated over the rest, and ratified the Magna Charta of our free institutions.

About this time the copper coin,<sup>2</sup> ordered from the mint of our Commonwealth, begins to be issued. It is familiar with the earliest remembrances and enjoyments of many, who yet survive. On one face of it, is the American eagle, having in the right talon a bundle of arrows, and, in the left an olive branch, the emblems of defence and peace; also, a shield on its breast, inscribed with the word “cent,” being mostly encircled with letters of “Massachusetts,” and having at the bottom, the date of its emission, 1788. On the other face an Indian of full length, with his bow and arrow, though much improved in his personal appearance, considering his rude outlines on the first seal of our Colony—with a star, denoting this State, near his forehead, and a circumscription of the word, “Commonwealth.”

<sup>1</sup> Pitkin's United States.

<sup>2</sup> A copper coin had been current of the succeeding representations:—On one side, a meridian sun in the middle, skirted with thirteen stars, and another out of their circular line,

with the words, “Nova Constellatio,” around them. On the other, a Laurel wreath, with “U. S.” in the middle, surrounded chiefly with “Libertas, Justitia,” and “1783.”

<sup>1</sup> Aware that, in compliance with the National Constitu- 1788.  
tion, the right for the States to coin money had ceased, our <sup>Nov.</sup>  
Assembly order that the copper on hand for the making of 17.  
cents be manufactured as soon as possible, and then for all  
the workmen to be discharged. Whatever this experiment  
might have been, if continued longer, it proved a very  
unprofitable concern. Of the considerable amount previ-  
ously voted for being made into cents and halves, only a  
few thousand dollars were manufactured. Nearly a cen-  
tury had elapsed since the definite termination of our first  
mint. This long stood the storms of regal displeasure,  
while its successor was of short continuance.

<sup>2</sup> As an object of long desire and of frequent endeavor 1790.  
with Congress, they now agree on a plan of settling the <sup>Aug.</sup>  
claims held by several States against the national ex- 4.  
chequer. They propose to open a loan of \$20,500,000  
on interest. Of this, Massachusetts are allowed to sub-  
scribe \$4,000,000. This subscription may be made in the  
certificates to individuals, which had been given for the  
Continental bills, issued in 1777 and 1778, some of which  
were thus exchanged at forty for one of silver and others  
at seventy-five. It is, also, to include, besides every other  
obligation from the General Government, all bills of the  
same kind still unredeemed, at the rate of one hundred for  
one of specie. Large quantities of this money, being kept  
beyond the limited period in hopes of better terms, were  
never exchanged. Such a compromise has been occasion-  
ally charged with gross injustice. But there are circum-  
stances which greatly alleviate the weight of this censure.  
When Congress began, and while they continued to issue  
bills of credit, they acted merely as the directors of a great  
Banking concern, owned by the people, for whose accom-  
modation and benefit it was solely commenced and carried  
on. But so immensely were the debts of the inhabitants  
multiplied by the demands of war, and so unable were  
they as a whole, to pay in assessments enough to sustain  
the credit of their paper, insolvency came over them like  
an irresistible flood. One result was, that great sums of

<sup>1</sup> Resolves of the General Assembly.<sup>2</sup> Laws of United States.

1790. their notes passed at two or three hundred, and, in other instances, at five hundred for one of specie. Their inclination was strong to meet the claims against them, but their pecuniary ability was far too weak to perform so burdensome a task. They hoped, that their extensive lands, which were repeatedly offered for sale, would afford them funds to liquidate a large portion of their debt. But in this, and every other effort, they were painfully disappointed. At the same time, large amounts were accumulating upon them for the interest of their foreign loans, which they honestly purposed to discharge and subsequently did; and heavy burdens of taxation were sustained by them to meet the necessities of Government. Thus situated, the bonds of confidence were broken, and an awful uncertainty hung over the whole land. Had an attempt been made, before the close of the Revolutionary struggle, to vend every particle of real estate in the country, there would have been scarcely a purchaser, and the proceeds would have been but a trifle in comparison with the public responsibilities. Had every farthing of specie been collected from the coffers of the rich and from the scrip of the poor, it would have been but a small proportion to such obligations. Where then was the physical power of the nation to discharge their liabilities? It was found wanting. Their only means to prevent the paper of their civil authorities from being liquidated at a much lower rate than it was finally, was to prolong the period of settlement. This, as is well known, was done for seven years from the cessation of hostilities. After such a lapse, the question very properly comes up before the people, can we equitably lay upon our successors the almost insupportable weight of debt, which will arise from computing the National obligations at their full face of principal and interest, or ought we not to settle it off according to our present views of its real worth in comparison with our ability? There is no need to relate how they decided this dilemma, through Congress, who were the deputed organs of their views on this subject. It has been already stated. According to their decision, while

some lost, others made great gain. While there was a sympathy for the losers, the general consent was, that the necessities of our Republic called them to make a presentation of their loss on the altar of freedom. Could the inhabitants have had a vision of the prosperity, which was to render their territory a prolific means of revenue, to multiply their resources of gain, and fill their towns and cities with the wealth of every clime, their opinion on the subject before us would receive a different complexion. But prescience to search and divine the events of futurity, was never the allotment of their nature. For aught they knew, aside from the discordant elements among themselves; being a modern experiment of popular self-government, and, if likely to be successful in their attempt, an alliance of kingdoms might be formed to crush them and add immensely to their already too onerous a debt. With their eye fixed on all the relations of the case, the majority of our countrymen made up their judgment, that equity required no greater allowance. They sincerely believed that the declaration, "The voice of the people is the voice of God," was applicable to their conduct on this occasion. That the way of their decision was thronged with difficulties, no one can reasonably doubt. That any community in their situation would have done better, there is no just cause to believe.

<sup>1</sup> As holding a prospective relation to the currency of Massachusetts, the Bank of the United States, with a capital of ten millions, is incorporated. It had a branch, which commenced business in Boston, March 16, 1792. Though its first predecessor had been opposed by our delegation in Congress, still itself is favored by our Representatives now there, as bidding fair, from late experience of such associations, to be diffusively useful.

<sup>2</sup> In addition to regulations about the coins issued from our national mint, there is a small alteration made in the weight of them. Besides, quarter eagles are ordered to be issued. A law is also passed by Congress, that no copper coins, except cents and half cents, shall be current.

<sup>1</sup> Journal of the United States Senate.

<sup>2</sup> Laws of the United States.

1792. Thus the pennies, half-pennies, and farthings, dear to the early associations of many yet alive, and bearing the representation of Britannia and their Majesties, as well as other coins of several States, are placed under the ban of Legislative authority. Now and then the remains of them have come forth and passed for a season, till driven back by new regulations.

June 25. <sup>1</sup> Perceiving that the Massachusetts Bank operated to advantage, the Legislature grant the petition of another company for the Union Bank in our metropolis. The latter has many more restrictions than the former. Its capital is not to exceed \$700,000. Some conditions of its being allowed, were, that the State might have, whenever they wanted, loans, amounting, in all, to \$100,000, and own one-third of its capital, if they chose, and that it should emit no bill less than five dollars. The fewness of these monied compeers and rivals for the golden fleece, drew upon them much attention, and made their chief officers to be highly honored, and especially on gala occasions.

1793. <sup>2</sup> An Act is passed in Congress, relative to foreign coins. Feb. 9. It enjoins, that after the first day of July, such money in silver and gold shall be a legal tender for all debts. The introduction of the latter metal for such a purpose, was far from being attended with the party views, feelings and debates, that it was in 1762. Samples of the aforesaid specie are to be assayed at the mint, and notice given by proclamation of the President, as to their weight and worth, before they can be so legalized. It is also provided, that, in three years from the date when silver and gold are issued from the new mint, all such metal of foreign stamp, except Spanish milled dollars and their parts, shall cease from being an allowed tender for pecuniary claims. This provision, however, was continually delayed by Congress from going into operation.

1794. <sup>3</sup> In accordance with the professions and firm purpose Feb. 4. of the Massachusetts authorities to clear off the demands of paper securities against their Treasury, they pass the

<sup>1</sup> Laws of Massachusetts.

<sup>2</sup> Laws of the United States.

<sup>3</sup> Acts of Massachusetts.



subsequent law. Its preface is in these words:—"Whereas 1794.  
 the obligations of good faith, as well as justice to individuals, and the support of public credit, require that provision be made for the debt due from the Commonwealth." It enjoins that for such a liquidation, a loan be made, and books be opened for subscribers. It allows that subscriptions may be made in consolidated and army notes; and in those given for specie in 1777; in certificates, issued by Nathaniel Appleton, the United States' commissioner of loans in Massachusetts, and in bills of the new emission, which began to circulate in 1780. The last paper is to be settled for at the rate of four for one of specie. Though the proportionate loss on this currency was far less than that on what were termed Continental bills, a similar principle of liquidation was applied to both. The same salvo for not coming up to the full nominal value of such notes, bore comparatively on one case as well as another. Many bills of the new emission, like those of the old, were kept back, in anticipation of a more favorable exchange, and thus passed over the opportunity for their redemption. As both of them are occasionally seen, imagination views them as fallen leaves, which, in the storm of revolution, gave protection and nourishment to the blossoms of rich and durable fruit.

<sup>1</sup> As confirmation of what Congress had previously done, 1795.  
 our Legislature enact, that, from the first of September, Feb.  
 1795, dollars, cents and mills shall be the money of ac- 25.  
 count in Massachusetts. Thus was another remaining  
 custom, derived from our English ancestors, and preserved  
 in this Commonwealth over a century and a half, struck  
 from our statute book, and prepared for gradual relin-  
 quishment by the population.

<sup>2</sup> Isolated from the main, and noted for their enterprise 27.  
 in the whale fishery, Nantucket is disposed to imitate the  
 example of the metropolis, in banking. A portion of its  
 inhabitants accordingly receive a Charter. Though al-  
 lowed to emit bills less than those of the Union corpo-  
 ration, they are to have none smaller than two dollars.

<sup>1</sup> Acts of Massachusetts.

<sup>2</sup> Laws of Massachusetts.

1795. They are granted the option of becoming a branch of the bank just named. But they concluded it best to stand on their own basis.

1796. <sup>1</sup> Recollecting the perilous distress, which had come upon the whole country, in consequence of depreciation in the national bills, Washington makes the ensuing remark in his farewell address. "As a very important source of strength and security, cherish public credit. One method of preserving it, is to use it sparingly." These are words of sound political wisdom.

1797. <sup>2</sup> Among the phenomena of banking at this period, is the fact, that the Nantucket Bank, having had a charter for not less than forty nor more than one hundred thousand dollars, is permitted to have the minimum sum of twenty thousand, because it had been recently robbed.

July 6. <sup>3</sup> In a Stamp <sup>4</sup> Act of Congress, provision is made, so that instead of banks paying a certain rate on their bills, they may pay one per cent. on their dividends.

22. <sup>5</sup> The President of the United States issues his proclamation on the subject of coins. This document relates, that the new mint commenced the silver coins in 1794, and the golden ones in 1795.

1799. <sup>6</sup> As the trade of the country extended to various parts of the globe, and brought to its shores an influx of hard money, the national administration endeavor to regulate it according to its true worth. This is work far less laborious and anxious, than that of reckoning up their hundreds of millions of depreciated paper, and despondingly calculating on the prolonged period, when it should be liquidated, and having their imagination continually haunted with spectres of ruin. While the one were realities greater than they had feared, the other are fruitions more than they had expected. To the following coins, as part of our currency, they appoint their specified value. A livre tournois of France, 18½ cents; a

<sup>1</sup> Washington's Farewell Address.

<sup>2</sup> Acts of Massachusetts.

<sup>3</sup> Laws of the United States.

<sup>4</sup> This law was to have begun

Dec. 1, 1797; but it did not till June 30, 1798.

<sup>5</sup> Seybert's Statistical Annals of the United States.

<sup>6</sup> Laws of the United States.

florin or guilder of the United Netherlands, 40 cents; a 1799. mark banco of Hamburgh,  $33\frac{1}{3}$  cents; a rix dollar of Denmark, 100 cents; a rial of plate, 10 cents; a rial of vellon of Spain, 5 cents; a milree of Portugal, \$1 24; a tale of China, \$1 48; a pagoda of India, \$1 94; a rupee of Bengal,  $55\frac{1}{2}$  cents. They also set the pound sterling of Great Britain, at \$4 44; and of Ireland, at \$4 10. They order "all other denominations of money," to be "in value as nearly as may be to the said rates, or the intrinsic value thereof, compared with money of the United States." June 22.

<sup>1</sup> As private banking companies issued notes without consent of our Legislature, they require them to cease operations after the first of March. As the rule for banks not to emit bills lower than five dollars, had not applied to all of them, it is now enacted, though still with the exception of Nantucket.

<sup>2</sup> In renewing this law, so as to apply without a single 1802. exception, the Assembly assign as a reason for it, that March 8. passing small bills subjected the holders of them to frequent loss, and hindered the circulation of specie.

<sup>3</sup> As Governor Strong had stated to the General Court, 1803. that the returns from the banks had been very deficient March 8. as to number, they resolve to have the matter upon a footing safer to community. They determine to throw around such associations a more particular supervisory power, of which the honest have no dread. They accordingly require them to make semi-annual statements of their true condition, to the Chief Magistrate and his Council.

<sup>4</sup> As having some resemblance to former prohibitions against the paper of other Colonies, the Treasurer of our Commonwealth is to receive no bills of any banks in other States, except those of the United States Bank, for dues at his office.

<sup>5</sup> Some of the most revolting features in judicial retri- 1805. bution for counterfeiting the currency, such as branding, May 15.

<sup>1</sup> Acts of Massachusetts.

<sup>2</sup> Laws of Massachusetts.

<sup>3</sup> Laws of Massachusetts.

<sup>4</sup> Resolves of General Court.

<sup>5</sup> Laws of Massachusetts.

1805. stripes at the whipping-post, standing in the pillory, cropping ears, sitting on the gallows with a rope round the neck, are commuted by statute for hard labor and confinement during life in the State prison. The latter kind of punishment, under the supervision of well principled keepers, and suitable religious instruction, is undoubtedly preferable to the former in its results on the moral character of criminals, and the interests of community.

June 7. <sup>1</sup>In his address to the Legislature, Governor Strong calls their attention to the subject of banking. The substance of his remarks is as follows. Such business, while properly restricted, would be beneficial as the means of affording to capital a more active operation. Almost every session, for several years, petitions have been presented for companies of this kind. It is a question whether, if any more of them were allowed, they would promote the public good. Large amounts in notes of banks, belonging to other States, and whose situation is unknown here, are passing among the population. Besides the branch of the United States Bank, there are twenty-one such associations in Massachusetts, which are privileged to issue thirteen millions of dollars, but at their last reports, had only eight millions due them. This, his Excellency considered as an argument, why they should not be enlarged at present. Of the number mentioned by him, four belonged to the District of Maine. Had the caution which he and other rulers have repeatedly and wisely given, been more heeded, it would have been well for the habits and possessions of community. Neglect of it has more than once contributed to bring multitudes into the deep waters of adversity. Even the bitter experience for disregard of such counsel, has been too often unnoticed amid the dazzling splendor of temporary prosperity. Still, the reasons, which originated the caution of Governor Strong, especially in connection with the policy of England and France, which began, the next year, to emit orders against our commerce, and that of other neutral powers, tended

<sup>1</sup> Speech of Governor Strong.

to suppress and defer applications for bank charters. Only <sup>1805.</sup>  
one of a small capital was granted for several years.

<sup>1</sup> It being the popular voice, that bank notes of denomi- <sup>June</sup>  
nations smaller than five be allowed, a law is passed, that <sup>15.</sup>  
such paper, of one, two and three dollars may be issued.

To increase the restrictions on banking companies, their  
returns to the Executive, are ordered to be made under  
the solemnities of an oath.

<sup>2</sup> As a comparative example of the credit given to the <sup>1807.</sup>  
securities of the Commonwealth and of the banks in its <sup>Aug.</sup>  
limits, we have the succeeding prices:—June 26, 1802, <sup>8.</sup>  
State notes at 95 per cent., those of the Union Bank at 36,  
and of the United States Branch at 47 advance. October  
15, 1803, State at 98, Union at 30 advance, Massachusetts  
30, and Boston at 17. At the date of this paragraph in the  
margin, the Union 12, Massachusetts 13, Boston 10, and  
the United States 20 above par.

<sup>3</sup> Having our foreign trade almost destroyed by the <sup>1808.</sup>  
nominal blockades of England and France, and being at <sup>Jan.</sup>  
last reduced to the necessity of an embargo for the preser- <sup>8.</sup>  
vation of our imperiled commerce, our currency has to  
encounter difficulties and depression.

<sup>4</sup> For the purpose of having uniformity in our bank bills <sup>1809.</sup>  
as well as to prevent counterfeiting them, they are re- <sup>March</sup>  
quired to be struck from the stereotype plate prepared by <sup>4.</sup>  
Jacob Perkins. Though this ingenious invention of his  
did not have the full effect anticipated, yet it has been  
useful and has continued to retain its hold upon public  
estimation. Its durability has far outrun that of many  
devices for a like purpose. While these were tem-  
porarily extolled, that has deterred many, by the diffi-  
culty of its being imitated, from an attempt to falsify  
our bills, and has thus saved them from the pains and  
penalties of actual crime.

<sup>5</sup> To show the rates of discount at which foreign money, <sup>Nov.</sup>  
so termed, and for a considerable period an expression of <sup>11.</sup>  
no very pleasant sound to the debtor on his pay day—

<sup>1</sup> Laws of Massachusetts.

<sup>2</sup> Columbian Centinel.

<sup>3</sup> Governor Sullivan's Speech.

<sup>4</sup> Laws of Massachusetts.

<sup>5</sup> Columbian Centinel.

1809. passed for Boston bills—we give the subsequent minutes:—  
 ~~~~~ Lincoln and Kennebeck Bank bills at 3 per cent., Hal-  
 lowell and Augusta 2 to 3, Penobscot 12½, and Northamp-
 ton 12. The discount on various bank notes out of the
 State, was greater than what is just stated.

1812. ¹After severe debates of political parties, after great
 March losses incurred from domestic restrictions and foreign
 14. sequestrations, and in prospect of entering into a war,
 our General Government resort again to treasury notes.
 These, as constituting a species of our currency at various
 periods, are ordered to be issued for a loan of eleven mil-
 lions, on a credit of twelve years, and at six per cent.
 interest. While they were emitted, there were yet others
 remaining for a portion of the debt contracted in our
 Revolutionary struggle. They were the more needed,
 from the fact, that the National Bank, which had con-
 ducted the monied operations of the Union, was to have
 its charter repealed in a few days.

June ²Constrained to resort to other means than those afforded
 23. by peace and prosperity, to meet the charges of the Com-
 monwealth, the General Court lay a tax on the stock of
 our banks, at a half per cent. semi-annually.

Convinced, that amid the adverse appearances of this
 period, there are more banking companies than are promo-
 tive of the general benefit, our Legislature enact, that
 such of them as have charters limited to or before the last
 of October, shall not be reincorporated. At the same
 time, these associations are allowed four years from the
 expiring of their charters, to settle their affairs.

30. ³Congress authorize another emission of treasury notes
 for a sum of five millions. These are transferable, and to
 be redeemed in a year, at 5½ per cent. interest. Such
 issues were continued, as the National Administration had
 need for them.

1813. ⁴The speech of Governor Strong refers to the distressed
 Jan. condition of many merchants, in consequence of the war.
 27. It states that they have become impoverished and incapa-

¹ Laws of the United States.

² Laws of Massachusetts.

³ Laws of the United States.


⁴ Governor Strong's Speech.

ble of meeting the demands against them. It suggests 1813. that a legislative mode may be adopted for their relief, which, while not tolerating extravagance and fraud, will guard them against undue severity from creditors. A representation of this sort, too distinctly betokens how straitened must have been the medium of exchange.

Among the monied incorporations of our Commonwealth, which deserves particular attention for its profession and practice, is the New England Bank, now granted. Its name is significant of its purpose—to befriend and benefit New England banks in their currency. When commencing business, it found that bills, called foreign because not issued in Boston, were subject to a discount from three to five per cent. To rectify an evil so great to most of the banks and many individuals—for scarcely a dollar of Boston paper could be seen, being laid aside for profitable speculation—the New England Bank immediately gave out, that it would charge only the expense of having foreign bills carried to their respective banks, and the proceeds returned, to all who wished to avail themselves of such an arrangement. The result was, that it had long and frequent occasions for such a “labor of love.” By such means, it very soon brought down the difference of exchange between foreign and current bills, to a half per cent. So the same institution did with regard to drafts. It found merchants and traders subject to exorbitant percentage for such scrip on the south. By merely charging the cost of getting them cashed, it speedily brought them into a favorable train. Of such benefactions, it should not be said, they “are but born to die.”

¹As one method of contributing to the public disbursements, Congress order, that a tax be assessed on bank notes according to their sum. In lieu of this, they appoint that one and a half per cent. be taken on the amount of the annual dividend. The latter mode appears more equitable than the former. It is indeed a hard case for stockholders—while receiving no dividend for the circulation of their bills, because of losses, nor able to dispose of

¹ Laws of the United States.

1813.  their shares, except at great discount and still liable to have them municipally taxed—to pay any sum, except a fair one, on the real income of their banks. A system, the reverse of this, borders too much on Egyptian policy, which exacted the full tale of brick without straw.

1814. ^{Jan.} 27. ¹As an extraordinary subject for consideration, the Legislature hear a report on the memorial of the New England Bank in Boston. The particulars of the case are thus narrated:—This bank sent on to certain banks of New York their bills, amounting to \$138,874, to be exchanged for specie. The business was accordingly done. This silver was put into three wagons, which proceeded on their way hither as far as Chester, fourteen miles. There they were seized by order of the Collector of New York, commanded back and the money deposited in the vaults of the Manhattan Bank, of which he was a director. Though a protest was handed to him against such a course as illegal, by the agent, yet he declined to alter his purpose. He assigned as a reason for this procedure, that he suspected such cash was going to Canada. Many this way supposed, that he was chiefly actuated by dislike to the frequency with which the New England Bank despatched large sums of the New York Bills, which flooded Massachusetts, to be redeemed with dollars. On being made acquainted with these facts, the General Court resolve that the conduct of the Collector, in this respect, is a violation of his duty and an infringement on the rights of the New England Bank. They also decide, to have the matter ²laid before the President of the United States with the expression of their judgment, that the Collector had committed an outrage on one of their Corporations, ought to relinquish the deposit, and be dismissed from his office. Such an application so far succeeded as to have the money restored.

May 30. ³Relative to a repeal of the embargo, as a measure promising relief to the monied interests of the community, the House, in an answer to the Governor's speech, thus

¹ Resolves of Massachusetts.

² It is ordered by the General Court, February 28, 1814, that papers and memorials from many towns, on

this subject, be laid before their Body the next session.

³ Resolves of Massachusetts.

express themselves:—"We hail it as the harbinger of a better day." Their anticipation, however, is to be severely tried and deferred. 1814.

The shares in the Union, Boston and Massachusetts Banks of the metropolis, having been in 1810, 18, 17 and 28 per cent. advance, and in 1811, the two first at par and the last 20 above, and in 1812, the same two at 4 advance and the last 10; and in 1813, the three from 13 to 15, are now from 5 to 10 above par. Aug.

¹ Owing to the depressed condition of commerce and other branches of trade, and particularly to the loans of their bills to the National Treasury, much beyond their hard money to redeem them, the southern banks suspend specie payments. While they and the communities connected with them, are suffering from this event, the banks of Massachusetts and other New England States are able to grapple with their difficulties and escape so ruinous a catastrophe. One of the various results from this state of things was, the difference of exchange between the bank notes of Boston and New York. The former were ten per cent. and even twenty, above the latter. Sept.

² While adversity with its thousand influences are sweeping through the Union, and operating to bring suspicion upon our strong banks and embarrassment upon our weak ones, our Legislature are careful to despatch their commissioners for the examination of such as are likely to falter and injure the public. Oct. 19.

³ So situated, the monied institutions are exceedingly loth to let their bills even to the Commonwealth. Over three months had the State Treasurer been endeavoring to hire a million of dollars from them and had not fully succeeded. On this point, Governor Strong remarks:—"The directors of some of the banks declared themselves unable to lend, and others have expressed such reluctance as forbids an expectation, that the whole amount can be obtained in that way during the continuance of the present cautious operations of the banks." 1815. Jan. 18.

¹ Pitkin's Statistics. Gallatin's consideration on the currency of the United States.

² Resolves of Massachusetts.

³ Resolves of Massachusetts.

1815. ¹Public as well as private credit being shaken and
 Feb. impaired—a sure symptom of disorder in the medium of

14. exchange—the news of peace cheers the desponding and encourages them to look for a more prosperous day. This blessing, however, was not succeeded immediately with the good effects expected. It was accompanied with so great and sudden a fall in the price of various species of property, that large numbers of men, who had purchased them at high war prices, suffer greatly, and others are ruined. Such a revulsion affects the currency, and contracts the supplies of paper money.

June ²As one description of the circulating medium, the
 15. obligations, issued by the State for expenses of the late war, are made payable to the assignees or bearers of them.

1816. ³Referring to the great reluctance of the banks, in the
 Feb. recent conflict with England, to lend their notes to the
 16. Commonwealth, an act is passed, that they shall be compelled, if necessary, to comply with such applications. This evidently savors of the absolute terms—‘willing or unwilling.’

April ⁴Much to the satisfaction of many in public and private
 20. life, another National Bank is chartered. The reasons for this were various. Contrary to expectation, widely entertained, when the first was terminated, that the financial concerns of the country might be conveniently conducted without it, by means of State banks, there was a sad disappointment. It was soon perceived, that the monied machinery of the whole land, which had been kept in order by the checks and balances of the chief Regulator, was alarmingly disarranged, and worked to great disadvantage, because that was removed. This fact and the adverse results of war, not only rendered many banks unable to pay their paper in gold and silver, but also seriously depreciated the millions in notes issued from the treasury of the United States. To remedy such evils, to restore the by-gone tone and vigor of the currency, with its relative benefits to agriculture, manufactures, trade and

¹ Resolves of Massachusetts.

² Laws of Massachusetts.

³ Laws of Massachusetts.

⁴ Laws of the United States. Pitkin's Statistics.

commerce, public sentiment spoke in the halls of Congress ^{1816.} and decided, that from the sleeping ashes of the first, there should arise a second National Bank. In the anticipation of such advantages, which became fully realized, our Commonwealth largely participated.

¹ The present period was one of great trial to the Banks of Massachusetts. Our civil authorities were vigilant and active to have them tested, so that community might not be sufferers. A considerable number of them had their capitals reduced, and others stopped, except for settling up their accounts. While the weak fell, the strong stood and commanded confidence.

² Of the notes, which serve as a medium of exchange, are some given by the State, for what they borrowed in the last war. A series of them, soon to be emitted, had the ensuing form. Dec.
11.

LOAN FOR DEFENCE.

Commonwealth of Massachusetts.

No.

1817.

Be it known, that there is due from the Commonwealth of Massachusetts, unto *or bearer, the*
sum of *dollars, bearing interest at the*
rate of six per centum per annum, from the first day of
October, one thousand eight hundred and sixteen inclu-
sively, payable half yearly, and subject to redemption in
whole or in part, at the pleasure of the Commonwealth.

Secretary.

Treasurer.

Though debt in any form is far from being agreeable, either to an individual or the public; still, under the circumstances of the State, at this date, their many resources and their hopeful prospect, it was scarcely nothing to what it was, when emerging from the storms, wrecks and desolations of the Revolutionary contest. A retrospect of her burden, then pressing upon all her energies with a mountain weight, is enough to produce a

¹ Laws of Massachusetts.

² Laws of Massachusetts.

1816. ¹painful shudder, though relieved by the thought, that she was kept from being crushed, was enabled to throw off her incumbrances, to developé her native powers, and enter on a career, not unworthy of the fathers, who "nourished and brought her up."

Dec. 13. ¹With regard to our banking institutions, a law is passed, that they shall have their notes and other responsibilities payable at their own counter in hard money. The occasion of this statute was, that Dedham Bank issued, August 20, 1816, a large quantity of bills, checks or draughts, payable to the bearer, and drawn on the Cashier of the bank at Middletown in Connecticut. Such a mode of doing business was made a source of profitable speculation to its authors. It was properly forbidden by the Legislature, as inadmissible, and hazardous to the public.

1818. ²As fractional bills, less than a dollar, had become abundant, and driven most of the silver change from the market, Government interpose, and prohibit the banks from passing them.

1819. ³In remarking on the need of making pecuniary associations as secure for community as possible, Governor Jan. 14. Brooks passes a deserved eulogium on the most of them in our Commonwealth. His words are, "I feel a sincere satisfaction in expressing what I deem to be due to the banking establishments of this metropolis, and of Massachusetts generally, the high sense I entertain of the correct and honorable manner in which their concerns, in times of peril and extreme pressure, have been administered." Ardent is the wish of thousands, that this praise of our chief city might have continued altogether unsullied. But reckless speculation has cast some shadows upon it, which to the eye of truth, will long remain.

March 3. ⁴In relation to the gold coins of Great Britain, France, Spain, and Portugal, which cost so many collisions of mind and argument to be acknowledged as legal tender for debts in Massachusetts long before, they are now

¹ Laws of Massachusetts.

² Laws of Massachusetts.

³ Governor Brooks's Speech.

⁴ Laws of the United States.

prohibited by Congress to be such after the first day of 1819.
November. Change in national circumstances, promotes ~
change in national policy.

¹ With reference to the occasion of the currency's being 1820.
interrupted in its free and full course, we have the ensuing Jan.
remark of Governor Brooks. "If, in some of the great 13.
departments of active and lucrative pursuit, especially
navigation and commerce, many of our fellow citizens are
suffering depression and embarrassment, our regret is tem-
pered by the reflection, that those evils are partial, and
constitute a part of the price of the general peace of the
world." He adds, that the distress, experienced through
the country, can be traced, in a great degree, to the pro-
fusion of paper money in most sections of the Union, and
the ease, with which loans of it had been obtained by
rash speculators. While banks elsewhere had issued their
notes to an indefinite amount, without the means of
redeeming them in specie, those of this Commonwealth
had pursued a different course, and thus preserved their
credit and their stock. Specie, which, the last year, was 18.
from $3\frac{3}{4}$ to 4, and in 1817, 2 to $2\frac{1}{2}$ above the best of bank
notes, is now fallen to about 1 advance.

² In reply to a proposition from Pennsylvania, for so 31.
altering the Constitution of the United States, as to limit
the operations of the National Bank to the District of
Columbia, our Legislature decide, that, believing the bank
to have a beneficial influence on the monied interests of
the country, they cannot agree to any such change.

³ Maine, being now admitted as an independent State, March
withdraws fifteen banks, with a capital of \$1,770,000, 3.
from the supervision of our Commonwealth. With this
subtraction from the immediate funds of our currency,
Massachusetts has, besides the branch of the United
States Bank, twenty-eight banks left, the capital of which
is eleven millions and a half of dollars.

⁴ The gold coins of Great Britain, France, Spain, and 1823.
Portugal, which had ceased to be a legal tender for debts, March
23.

¹ Governor Brooks's Speech.

² Resolves of Massachusetts.

³ Laws of the United States—
Massachusetts Register.

⁴ Laws of the United States.

1823. are allowed by Congress to be received for the national lands. Such a restoration of these pieces, however, was far from allowing their former rank, and only brought them nearer to the peril of being changed in their royal bearings for the impressions of our own mint, the emblems of our freedom.

1824. ¹ Having witnessed that the notes of Banks, struck from Feb. Perkins's stereotype plates, were seldom successfully im- 20. itated, the Legislature again recommend them to be used by all such corporations in their jurisdiction. Thus the invention of genius occasionally keeps men from the open commission of crime, whose hearts are steeled against the appeals of moral suasion.

1825. The prices of the best Bank stock in Boston having May ranged as high as 6 above par in 1817, 10 in 1818, 19 25. and 20, 12 in 1821, 9 in 1822, 6 in 1823, 12 in 1824, reaches to 20 at the present date.

Taking the number of Banks annually granted, as the apparent test of currency's having been shortly before or at the time, more or less prosperous, the year of 1825 was unprecedented in this State. Then a far greater number of such companies, (being no less than fifteen,) was allowed by the General Court, than ever before in the same period. But the monetary system, like the human system, when most healthful and extending its energies, and making hazardous experiments of its strength, is in peril of being weakened and retarded in its operations. So it soon proved. For in the two succeeding years, scarcely half of the Banks were chartered, which were in this.

Prior to 1825 these institutions were promoted and sustained chiefly by capitalists. But since, they have been much oftener made up for the purpose of borrowing and not of lending, for rash enterprises to gain fortunes at the risk of the community. Though, as Seneca remarks, "success gives to vice the aspect of virtue," yet, in the case before us, adversity is sure to unfold a tale of iniquitous motive and action.

¹ Resolves of Massachusetts.

¹ To quicken the memory and bring devious practice to the line of law, established over a century, and requiring that only six per cent. interest shall be taken, this enactment is renewedly confirmed. 1826. March 4.

The latter part of 1826 and the former part of 1827, is a season of trial and depression in the pecuniary world. As one result, only two Banks ² were incorporated during the year last mentioned.

Combining experience of the past with conviction of the present, relative to monied associations, the General Court form a compend of Laws "to regulate Banks and Banking."

Subsequent to a short repose, in 1828, from the anxieties and difficulties of a pressure for cash, when a large amount was added to the Banking capital, community are again called to grapple with similar evils. So imposing were such embarrassments, it was feared that they would hinder the internal improvement of rail roads, then a subject of increasing interest with the public. 1829 and 1830.

³ In remarking on trials of this sort, the Chief Magistrate judiciously observed to the Legislature, that for them to be overcome, one great means was to encourage the project of travelling by the application of steam. Jan. 6.

⁴ As several of the country Banks had been recently suspended, because unable to meet their liabilities, as presented, Commissioners for each county wherein similar corporations existed, are empowered to examine them and report such as are unsafe for the public. Care of this sort was but too true a sign, that the transactions of a few such institutions had brought suspicion upon the rest. Evil occasions the very guard which is set to prevent its repetition. Still, monied associations, well regulated, like an honest individual, invite rigid scrutiny, rather than keep it at bay. June 7.

As an indication that calamity was written on the face of the pecuniary world from 1828 to 1831, only one

¹ Laws of Massachusetts.

² A writer in the Boston Centinel and Gazette of March 21, 1838, relates that, in 1827, many Bank

charters were granted. He must have mistaken this year for 1825.

³ Gov. Lincoln's Speech.


⁴ Resolves of Massachusetts.

1831. Bank, and this the Cohannet of Taunton, with a capital of \$100,000, is chartered. Had not the people of our Commonwealth, as well as those of others in the nation, acquired the habit of multiplying such corporations whenever the burdens of adversity are removed, and oftentimes when not demanded by the wants of community, such a sign would have been one of caution and of good.

Jan. 5. ¹ Regarding the influence of Banks on society, as of no ordinary character and degree, Governor Lincoln expresses his views in the succeeding terms:—"It would doubtless have been better, that the system had been more cautiously introduced and less liberally extended. Banks have been multiplied here and elsewhere, greatly beyond the occasions of the country. The injurious effects have been seen in excessive issues of paper and in vexatious and profitless competitions to give to it circulation; in rash enterprises of individuals, induced by the facilities to credit; in unwarrantable expenses of living; in the embarrassments of debt, and in the sacrifice of estate, not unfrequently attended with the loss of character." These remarks fully accorded with the experience of the day when they were uttered, and, relatively, with the history of paper currency, as emitted for a long period, with some interruption, by Massachusetts both as a Province and a State. His Excellency further suggests to the Legislature, whether it would not be a good rule to allow no charter to a Bank, or an extension of it, when granted, except in cases of competent funds and of sufficient business to employ them. He also refers to a proposition, made at several different times, for the Commonwealth to own and manage a Bank with several branches. He estimates the objections to such an institution as greater than the arguments in its favor. It was no more nor less than a new edition of the old loaning system, by which our fathers, while Provincials, lost and suffered much.

Notwithstanding the suggestions of sound discretion and wise policy, just stated, the General Court, in the same year they were presented to their attention, chartered no

¹ Gov. Lincoln's Speech.

less than twelve Banks, a number exceeding that of any 1831. previous years, except 1825 and 1828. The clouds had  blown away and the sun appeared; and, without calculating to be prepared for the return of the former, they freely give leave for such associations.

¹ While the large proportion of convicts in the State 1833. Prison for counterfeiting our paper money, showed that ^{March 28.} they had not been idle in such labor, it is discovered, that a similar work is carried on here, in relation to bills of the British Provinces. This detection is laid before our Legislature, and they pass an Act for its prohibition. It was one of the bitter fruits, produced by such perverted geniuses, as that of the notorious Burroughs.

As private banking, by the emission of notes, again manifests its *penchant* for following in the wake of monied corporations, the General Court interfere and restrain such a bias by the strong arm of law.

For the three last years, up to this date, a considerable number of banks had been allowed. Such liberty is to be followed with sober abstinence from it, for two Legislative years.

² Reverting to the prevalent anxiety which is mani- 1834. fested in relation to the probability, that the charter of the ^{Jan. 21.} United States Bank, when expired, will not be renewed, Governor Davis makes the ensuing comment on this institution:—"Its existence has imposed a restraint upon the immoderate issues of paper by other banks, and tended strongly to keep that paper up to the metallic standard of value." Subsequent and sad events have confirmed the correctness of this position. The Chief Magistrate goes into a particular examination of our own banks. He renews the tale, to which many, in an embarrassed situation, could experimentally respond, that frequent, though prudent curtailments by the banks in their discounts, had as often been succeeded by distress in the monied world. His words proceed:—"This calamity has so frequently visited us within a few years past, under the name of a

¹ Laws of Massachusetts.

² Governor Davis's Speech.

1834. pressure for money, and with such disaster to debtors, that the subject demands investigation, with a view to avert its future recurrence." He mentions various opinions as to the causes of these effects. He assumes one position, which was undoubtedly correct, that there is too little specie in the banks at large, to meet their liabilities. He states, that, however such institutions stand no where better than in Massachusetts, yet even here, "if a panic should seize the public, if distrust should overshadow our banks but a day, all payments in specie would cease, for the funds on hand do not amount to *one twelfth* of the bills in circulation, and those deposits which they are bound to pay on demand." He further relates, that the average amount of bills circulating in 1832, was as eight to one of specie for their redemption, and in 1833, as eight and a half for one. Hence, he derives the argument, that it is of exceeding importance for such a disproportion to be diminished by the increase of hard money, in order to save the "active industry" of the public from the "devouring vortex of an almost periodical disaster." He proposes, that, if there should be a rush for bank charters, on the cessation of the National Bank, as there was formerly, it should be breasted with firm and cautious care, so that the pecuniary interests of community may not be further imperiled.

March 1. ¹As an introduction to resolves, which maintain that the resistance of the General Administration to the Bank of the United States, and the removal of the national deposits from its vaults, have been the prolific origin of disarrangement in the system of currency, and of calamity to the whole country, our Legislature utter the following sentiments:—"In the midst of a season of general prosperity, the community has been suddenly visited by a distressing and financial crisis, which has created great embarrassment in all branches of business, and occasioned many bankruptcies." However divers opinions and conflicting arguments have existed, as to these measures of Congress, yet all are constrained to allow, that such a

¹ Resolves of Massachusetts.

dark view of our Republic's condition is not too deeply shaded. 1836.

¹In connection with the supposition, that large emissions of the National bank would be recalled, because its charter was soon to cease, and leave a vacuum, which might be profitably supplied by State corporations, a flood of corresponding petitions flows into our halls of legislation. True, it did not literally carry before it every door post, and every pillar, and thus cause a devastation like that of Samson's might. Still, it levelled every barrier presented by the counsels of wisdom, and the bitter teachings of the past. More than as many again banks are incorporated this Spring, than ever before under our constitutions of freedom. They numbered no less than thirty-two. In addition, the stocks of not a few banks, previously permitted, were much enlarged. If on the restoration of community from every monied paralysis, its appetite is thus profusely catered for, the forecast of a prophet is not required to perceive, that the credit of a large proportion of its bills will be irrecoverably lost, and the inscription, published in the notifications of exchange must be, that they are of little or "nothing worth."

²The repeal of the Charter of the National Bank, having been anticipated as sure for many months, and on which numerous minds had dwelt with dark forebodings, now legally takes place. In the prospective effects of this enactment, whether construed as for weal or wo, our own Commonwealth has had its abundant portion.

As a means of rendering hard money less scarce in circulation, the General Administration order, that no bank shall have any deposits of the national funds, which emits notes less than five dollars. 23.

Specie, which was 2 to 2½ advance in 1825, 1¾ in 1831, 2 to 3 in 1833 and '35, is now 2½ to 3 per cent. Aug. 31.
The best of Boston bank stocks, which were at 8 per cent. advance in 1826 and '27, 3 in 1829, 8 in 1831 and '33, 10 in 1835, are now 7.

While all the silver coins from the mint are still to be 1837.
Jan. 18.

¹ Laws of Massachusetts.

² Laws of the United States.

1837. accounted a lawful consideration for debts, Congress require that none of the gold coins, except those issued since the 31st of July, 1834, shall be so estimated.

March 29. ¹ Acts having been passed the 16th of April, 1836, for nullifying the charters of the State Bank of Boston, and the People's Bank of Roxbury, they are now repealed. The ground for this reversion of Legislative opinion and decision, was, that the charge against these companies for taking above six per cent. interest, was no more peculiar to them, than to many other similar associations, nor more than they supposed their privilege allowed.

April 19. ² Owing to the embarrassed situation of some banks with regard to their want of sufficient means to pay any further responsibilities on demand, they had issued notes redeemable at certain periods. As an implicit license of this kind, would be only preparing the way for greater difficulties and perils in paper currency, the General Court pronounce such a practice altogether illegal. A resort of this kind was but one of the various attendants on the great disorder of our currency, and the exceeding distress experienced in several branches of trade.

May 10. Unable, in the trying circumstances, which filled the whole country, to discharge their notes and liabilities with specie, the banks in the city of New York suspend this sort of payment. Tidings of such an event reached our metropolis the next day. They spread consternation far and wide. Self-preservation immediately drew together a large assembly of gentlemen in Boston, concerned in our pecuniary institutions. They resolve, that there is no other alternative, except either to have all the specie drawn from their banks, the paper money transactions stopped, and the ruin of mercantile interests greatly magnified, or to imitate the example of New York. The last of these two deprecated choices is recommended by them, until there be a recovery

12. from the tremendous shock. Accordingly, the subsequent morning the banks of Boston give notice, that they shall comply with such advice. As the news of this measure reached the towns, wherein similar companies existed, these

¹ Laws of Massachusetts.

² Laws of Massachusetts.

felt constrained to take the like step. Thus in a few days 1837. one of the most dreaded and dangerous changes, ever wrought in the paper medium of our Commonwealth, takes place.

While the banks were collecting their loans to meet the apprehended revolution, and, also, subsequent to its occurrence, constant failures, both great and small, ensued. A daily and fruitful topic was in relation to the number, persons, and responsibilities of those, who were no longer able to buffet the storm of adversity. Comparatively few could take their stand on the eminence of security and truly say, "I scorn to change or fear."

Among the developments made by the searchings of this catastrophe, was one, which excited less sympathy, than it caused pain to the philanthropist and Christian. This was the astounding fact, that men, intrusted with millions belonging to the widow and orphan, to dependents upon small investments and charitable institutions, as well as to the more wealthy, had been playing a desperate game of speculation with these funds, on the bare possibility, that they might fill their coffers with gain, but, at the same time, with the almost certainty, that each unsuspecting stockholder would have to bear a proportionate loss of their recklessness, folly and iniquity. While we would not visit too severely so crying an abuse of sacred trust, we do hope, that pertinent vigilance, as well as genuine principle, will prevent any more such works of darkness and depravity. From this black picture of obliquity, we are privileged to turn and behold an alleviating contrast. Though temptation laid its ensnaring baits, and presented its sophistries of avarice, still, the greater portion of those guardians, who watched over our pecuniary institutions, were enabled to resist, and hold fast their integrity. Verily, they deserve to be had in grateful and honorable remembrance.

¹ Embarrassment having come upon the national exchequer, as well as upon the banks, Congress order an emission of notes, not to exceed ten millions of dollars.

Oct.
12.

¹ Laws of the United States.

1837. The maximum interest of them is six per cent., and they are to be redeemed in a year from their date. Thus an addition is made, in one kind, to the paper medium. But such enlargement, like the fullness produced by disease, has always been more the sign of weakness than of strength, more the cause of regret than of joy.

1838. From the eloquent memorial of the associated banks of Boston, we have the ensuing quotation. It refers to their suspension of specie payment, a resort as contrary to their wishes and profit as to those of the public. "As the least evil, and as a protection to the general interests, it was determined to yield temporarily to the force of circumstances which could not be controlled, in order to allow the community to gather up their resources, to afford time for the restoration of confidence, to succor those who were on the eve of prostration, and to relieve those who merely needed palliatives to ensure their recovery." On another subject of highly commendable precaution, they say, "At the time when specie payments were suspended, all the banks in Boston, with one exception, entered into an association, for the avowed purpose of protecting the interests of the public."

9. ¹The Chief Magistrate, in remarking on the monied concerns of the State, represents them as being a gloomy contrast to those of the previous year. Respecting the suspension of specie payments by our banks, he observes, that, as the only means of preventing a general insolvency, it was not merely a measure of public convenience, but, also, of pressing necessity. He notices the fact, that these corporations, by such a course, had, if the law were literally interpreted, and no allowance made for their particular relations to the business community, forfeited their charters. But he concluded, from the nature of the case, that no forfeiture of this kind would be exacted.

Feb. 23. ²As a more efficient method to check the abuses of Banking, recently and extensively brought to light, the General Court order, that a permanent Board of Commissioners be appointed to supervise this important branch of social interests.

¹ Governor Everett's Speech.

² Laws of Massachusetts.

¹The Sub-Treasury scheme, deeply agitating the country, and still before Congress, is objected to by the resolves of a majority in our Legislature, as unfavorable to a sound currency between the States, and uselessly withdrawing from circulation a large amount of specie. 1838. March 10.

²Unable to pursue their accustomed course of business with safety to the public, no less than ten Banks had their charters repealed during this session of the Legislature. Seven of them belonged to the metropolis. Mismanagement as well as adversity produced so sad a termination. April 25.

With reference to the many Banks, which had escaped so deprecated a wreck, but which still saw no favorable opportunity to resume the meeting of their liabilities in hard money, an Act is passed, allowing them so to remain till the first of January, if those of Boston pay their notes of five dollars and under, and others their threes and less, with specie. This condition is immediately fulfilled. One result is, that silver change, which had been very scarce and at a high premium, is conveniently restored to circulation.

During the fore part of the suspension, the discount on good bank notes of Boston, was 10 per cent.; and, when the news came from Washington, that custom house duties must be discharged with hard money, it rose to 13½ and so continued a few days. After this, it gradually fell about one per cent. a month till a year since, when bills of our regular Banks were on a par with hard money.

To the many, who regarded the Sub-Treasury system as unsuited to promote the pecuniary welfare of the country, the news of its being laid aside by a majority of Congress, comes as a message long wished, and very welcome. June 28.

³That we may have "a bird's eye view" of the Banks in Massachusetts, for every five years, from 1803 to 1837 inclusive, except the last period, which is for four; and, also, at two dates of the consecutive year, the subsequent compend is presented. Oct.

¹ Resolves of Massachusetts.

² Laws of Massachusetts.

³ Reports of John P. Bigelow, Esq.
Secretary of State.

| | | | | |
|-------|---|----------------------|-----------------|---------------|
| 1838. | 1803. June. | Two Banks in Boston. | Five elsewhere. | 7 |
| | Capital, | \$1,600,000 | \$625,262 | \$2,225,262 |
| | Bills in circulation, . | 714,840 | 850,349 | 1,565,189 |
| | Specie, | 561,669 | 518,259 | 1,079,928 |
| | 1808. January. | Three. | Thirteen. | 16 |
| | Capital, | \$3,800,000 | \$2,160,000 | \$5,960,000 |
| | Bills in circulation, . | 259,878 | 778,164 | 1,038,042 |
| | ¹ Bills of 1, 2 and 3 dolls., | 13,472 | 47,755 | 61,227 |
| | Specie, | 632,137,16 | 383,706,79 | 1,015,843,95 |
| | 1813. June. | Four. | Twelve. | 16 |
| | Capital, | \$7,000,000 | \$1,895,000 | \$8,895,000 |
| | Bills in circulation, . | 1,375,380 | 811,457 | 2,186,837 |
| | Bills of 1, 2 and 3 dolls., | 4,441 | 88,175 | 92,616 |
| | Specie, | 4,569,574,59 | 1,211,223,49 | 5,780,798,08 |
| | 1818. June. | Seven. | Twenty. | 27 |
| | Capital, | \$7,049,425 | \$2,699,850 | \$9,749,275 |
| | Bills in circulation, . | 1,142,116 | 1,538,361 | 2,680,477 |
| | Bills of 1, 2 and 3 dolls., | 55,716 | 192,329 | 248,045 |
| | Specie, | 597,087,88 | 532,510,39 | 1,129,598,27 |
| | 1823. June. | Ten. | Twenty-four. | 34 |
| | Capital, | \$8,050,000 | \$3,600,000 | \$11,650,000 |
| | Bills in circulation, . | 1,353,892 | 1,775,094 | 3,128,986 |
| | Bills of 1, 2 and 3 dolls., | 66,684 | 275,115 | 341,799 |
| | Specie, | 503,787,04 | 529,588,43 | 1,033,375,47 |
| | 1828. May. | Sixteen. | Forty-five. | 61 |
| | Capital, | \$12,343,050 | \$6,994,750 | \$19,337,800 |
| | Bills of 5 dolls. and up-
wards, in circulation, } | 1,734,549 | 2,164,944,50 | 3,899,493,50 |
| | Bills under 5, do., . | 332,511 | 652,534 | 985,045 |
| | ² Bills or notes, do., } | 2,378,539,56 | 220,787,28 | 2,599,326,84 |
| | bearing interest, } | | | |
| | Specie, | 654,344,91 | 490,300,80 | 1,144,645,71 |
| | 1833. October. | Twenty-five. | Seventy-seven. | 102 |
| | Capital, | \$16,401,250 | \$11,835,000 | \$28,236,250 |
| | Bills in circulation, . | 2,823,617 | 5,065,493,67 | 7,889,110,67 |
| | Specie, | 647,618,14 | 274,691,70 | 922,309,84 |
| | 1837. October. | Thirty-four. | Ninety-five. | 129 |
| | Capital, | \$21,350,000 | \$16,930,000 | \$38,280,000 |
| | Bills in circulation, . | 4,386,414 | 5,886,704,71 | 10,273,118,71 |
| | Specie, | 1,129,942,29 | 388,041,73 | 1,517,984,02 |
| | 1838. February. | Thirty-two. | Ninety-two. | 124 |
| | Capital, | \$20,700,000 | \$16,480,000 | \$37,180,000 |
| | Bills in circulation, . | 3,688,532 | 5,412,244,75 | 9,100,776,75 |
| | Specie, | 1,256,722,32 | 444,688,39 | 1,701,460,71 |
| | 1838. October. | Twenty-eight. | Ninety-two. | 120 |
| | Capital, | \$18,450,000 | \$16,180,000 | \$34,630,000 |
| | Bills in circulation, } | 2,889,598 | 4,761,587,25 | 7,651,185,25 |
| | of 5 and above, } | | | |
| | Bills do. of less than 5, | 499,060 | 1,250,267,50 | 1,749,327,50 |
| | Specie, | 1,690,169,59 | 704,454,65 | 2,394,624,24 |

¹ Bills of these denominations are first reported, June, 1806.

² This kind of obligations were

first reported in June, 1825, and last reported, May, 1828.

The valuable statistics, whence the preceding ones are derived, furnish us with data for the ensuing table. This shows the proportion which the notes of our Banks, circulating when they were reported, have held to specie, deposited therein, for the period signified by the given years. From 1825 to 1828 inclusive, obligations, bearing interest, are taken into the estimation. 1838.

| Year. | Paper | Specie | Year. | Paper | Specie |
|-------------------------|-----------------|--------|-------------------|-----------------|--------|
| 1803, 4, 5 and 6, about | $1\frac{1}{2}$ | to 1 | 1826, . . . about | $4\frac{3}{4}$ | to 1 |
| 1807, | 2 | " " | 1827, | $4\frac{1}{2}$ | " " |
| 1808, | equal. | | 1828, | $6\frac{1}{4}$ | " " |
| 1809, 10, 11, . . . | $1\frac{1}{2}$ | to 1 | 1829, | $4\frac{1}{2}$ | " " |
| 1812, 13, 14, . . . | $\frac{1}{2}$ | " " | 1830, | 4 | " " |
| 1815, | equal. | | 1831, | $8\frac{1}{2}$ | " " |
| 1816, | 2 | to 1 | 1832, | 8 | " " |
| 1817, | $1\frac{1}{2}$ | " " | 1833, | $8\frac{3}{4}$ | " " |
| 1818, | $2\frac{1}{2}$ | " " | 1834, | $6\frac{1}{2}$ | " " |
| 1819, 20, | 2 | " " | 1835, | $8\frac{1}{4}$ | " " |
| 1821, | equal. | | 1836, | $7\frac{3}{4}$ | " " |
| 1822, 23, | $3\frac{1}{2}$ | to 1 | 1837, | $6\frac{3}{4}$ | " " |
| 1824, | $2\frac{1}{2}$ | " " | 1838, Feb., . . . | $5\frac{2}{5}$ | " " |
| 1825, | $6\frac{7}{10}$ | " " | " Oct., | $3\frac{9}{10}$ | " " |

It will be perceived from these ratios, that the quantity of scrip has, in several years, greatly exceeded the hard money, on which it chiefly depends, in the revulsion of a panic, for immediate redemption. In one of his recent Congressional speeches, Henry Clay remarked—"The proportions, which experience has ascertained to be entirely safe, are one of specie to three of paper." If this be true, it is matter of high satisfaction to discern, that our Banking institutions, in general, have nearly returned to this safety-ratio. As additional, justice requires, that it should here be stated, that such associations of the metropolis have shown, by their two last reports, more than a third of hard money for their bills in circulation. If "the uses of adversity" continue long to be so applied, they will indeed prove a blessing to community.

In compliance with a resolve of the General Court, all our Banks, remaining in operation, fully resume their specie payments. The suspension of them, was one of 1839.
Jan.
1.

1839. those occasions, which test the character of society.

There was a strong conviction in the public mind, which seemed to address our pecuniary institutions when necessarily driven to this resort, and say in the language of Cicero, "I can see no danger, to which you are personally exposed, separately and apart from the destruction of us all." Under the prevalence of such a disposition, no instance occurred, during the suspension, wherein a respectable person demanded specie for Bank notes and exacted the fine of 24 per cent. interest for refusal; and scarcely an individual, however low his reputation, dared confront the general sentiment and boldly demand "the pound of flesh." Thus it was, that this exigence, however painful and hazardous in some respects, afforded satisfactory demonstration to the philanthropist, that, amid the desolations of fallen credit, there was moral force enough in society to stay the rude onsets of uncompromising selfishness, and to afford more than a victor's triumph to the cause of magnanimity and benevolence.

One consequence of such a resumption was, to end the practice of giving notes of hand payable "in current bills." This clause began to be inserted at the commencement of the suspension. It was like what existed, to a great extent, under the Provincial Banking system.

During the session of the General Court, a deserved eulogium is passed on the Suffolk Bank, for the manner in which it had, for about fifteen years, successfully entered on the labors of the New England Bank, to suppress an onerous discount on bills of Banks not belonging to Boston. A work of this kind evidently saves much for such associations, prevents great expense and perplexity to business men, preserves the equal credit of all notes, emitted from responsible Banks, which ought always to exist in the Commonwealth where they belong; and, what is more, keeps one of the best safety valves on the natural pressure for depreciating such paper of every description. Though for exerting so salutary an influence the Suffolk Bank has been suspected of possessing dangerous power, still this

institution deserves the confidence of the community, as ^{1839.} an agent of great public benefit. May no undue jealousy throw obstructions in its way, and thus bring the mercantile world back to the burdensome impositions, which abounded for years, till the operations of the New England Bank in 1813.

As expected from the perilous reverse which had come over our pecuniary affairs, little of the usual attention and time, given by our Legislature to Banking concerns, is called for during this session. Still a few relics of the ruin, which succeeded the downfall of business and general confidence, requires their interposition. They rescind the charters of two Banks and lessen the capitals of four others. Farther than this, public wish and opinion did not extend. So thought a Committee, composed of members from the Senate and House. On several petitions for new Banks and more capital, they judiciously express their judgment. ¹ "When they consider the severe trials to which this class of corporations has been subjected for the last two years, and the immense losses, which the community has sustained from the bad management of a portion of them, and that not three months have yet elapsed, since the Banks in this Commonwealth were required to meet all demands on them in specie; and when, in addition thereto, they contemplate the new system of banking introduced, to an alarming extent, into a neighboring State; ² a system altogether novel in our country, the result of which it may be difficult to foresee, the Committee feel constrained to urge upon the Legislature the propriety of pausing, for at least one year, before they shall create new Bank institutions, or increase the capitals of those already in existence." This is true philosophy, teaching from abundance of examples. Still, a half million of capital is added to the Merchants' Bank and a quarter million to the Suffolk, both of Boston. Besides this, the Fishermen's Bank ³ at Provincetown,

March
16.

April
5.
10.

¹ Report of a Committee.

² New York.

³ Incorporated April 5th.

1839. with a capital of one hundred thousand dollars, is incorporated. We know of no better cases, wherein such allowance should have been granted. But greater would have been our hopes that the teachings of past experience would lead all our monied institutions to double their exertions for individual safety as well as income; and our Legislative authorities to permit no more increase of Banking stock than the business and ability of the times require,—had there been no such indulgence at present.

We have now reached the termination prescribed by the plan of this work. Here we might draw deductions and launch into speculations. But we are cautioned, after so long a hearing, to speak more in monosyllables than in sentences. Brevity may allow us to make a leading remark or two, before we open our appendix of a few miscellanies. It is very evident from the facts already adduced, that no branch of political economy is more difficult, than the regulation of money. So vexatious to Queen Elizabeth, with all her sound judgment and excellent counsellors, was the management of her metallic currency, that, in the excess of her feeling she exclaimed, "it is a monster." So great has been the difficulty attendant on pecuniary concerns, that no government, however skilled in them, has, with the numerous teachings of the past, yet practically reached the highest degree of excellence for the regulation of them. Questions are still repeated—is hard money alone, or this and paper together, the best medium of exchange?—As a response, justified, in our apprehension, by the tests of civilized nations, may it not be truly said, that a safe amount of coin, represented by a due proportion of Bank notes, is far more convenient and more profitable than any other? We are aware, that no small difficulty exists, as to agreement on what these proportions are. Shortness of space assigned, forbids the discussion of them here. But what-

ever may be our plans for the safest management of monied affairs, or whatever our honest care to supply the physical wants of our nature, we are sure of this elevating fact, that the hand of Infinite Benevolence freely proffers to us all intellectual and moral treasures, which will survive the wreck of worlds, and be to their possessors, an incorruptible heritage.

“Wisdom to gold prefer, for ’tis much less
To make our fortune, than our happiness.”

APPENDIX.

APPENDIX.—No. 1.

THE COMPARATIVE MEANS OF CURRENCY IN EACH TOWN OF MASSACHUSETTS,
AS DESIGNATED BY THE LEGISLATURE, DURING THEIR EARLY PERIODS,
FOR THE PAYMENT OF PUBLIC TAXES.

November 8, 1633.

| | | | |
|-----------------------|-----|------------------------|-----|
| Boston, | £48 | Saugus, | £36 |
| Rocksbury, | 48 | Salem, | 28 |
| Newe Towne, | 48 | Wenitsetmet, | 8 |
| Watertown, | 48 | Meadford, | 12 |
| Charlton, | 48 | Aggawam, | 8 |
| Dorchester, | 80 | | |

May 6, 1635.

It is ordered that there shalbe CC^{lbs}. levyed out of y^e seuerall Plantacons for publike vses, the one halfe to be levyed presently the other halfe before the nexte generall Court viz.:

| | <i>lb. s. d.</i> | | <i>lb. s. d.</i> |
|-----------------------|------------------|------------------------|------------------|
| Dorchester, | 27 6 8 | Salem, | 16 0 0 |
| Boston, | 27 6 8 | Saugus, | 16 |
| Newe Towne, | 27 6 8 | Ipswich, | 8 |
| Rocksbury, | 20 | Newberry, | 8 |
| Watertown, | 20 | Wessaguscus, | 4 |
| Charlton, | 16 | Meadford, | 10 |

March 3, 1636.—£300 levy.

| | <i>£ s.</i> | | <i>£ s.</i> |
|-----------------------|-------------|-----------------------|-------------|
| Newberry, | 11 5 | Watertowne, | 30 |
| Ipswich, | 25 | Boston, | 37 10 |
| Saugus, | 15 10 | Rocksbury, | 30 |
| Salem, | 24 | Dorchester, | 37 10 |
| Charlton, | 23 | Hingham, | 6 |
| Waymothe, | 3 5 | Meadford, | 15 |
| Newe Towne, | 42 | | |

August 1, 1637.—£400 rate.

| | £ | s. | | £ | s. |
|-----------------------|----|----|-------------------------|----|----|
| Boston, | 59 | 4 | Meadford, | 24 | 12 |
| Newtowne, | 29 | 12 | Dorchester, | 42 | 6 |
| Watertowne, | 30 | 8 | Waimoth, | 6 | 16 |
| Roxberry, | 30 | 8 | Hingham, | 8 | 10 |
| Salem, | 45 | 12 | Charlestowne, | 42 | 6 |
| Ipswich, | 34 | 12 | Saugust, | 28 | 16 |
| Newberry, | 16 | 18 | | | |

September 6, 1638.—Rate for £400.

| | £ | s. | d. | | £ | s. | d. |
|-------------------------|----|----|----|----------------------|----|----|----|
| Dorchester, | 36 | 16 | 3 | Roxberry, | 31 | | |
| Hingham, | 11 | 2 | 10 | Watertown, | 29 | 1 | 3 |
| Ipswich, | 46 | 10 | | Salem, | 44 | 11 | 3 |
| Linn, | 31 | | | Newberry, | 27 | 2 | 6 |
| Charlestowne, | 35 | 13 | | Meadford, | 6 | 15 | 8 |
| Boston, | 57 | 14 | 9 | Waymoth, | 7 | 15 | |
| Cambridge, | 34 | 17 | 6 | | | | |

May 22, 1639.—£1,000 Rate.

| | £ | s. | d. | | £ | s. | d. |
|---------------------|-----|----|----|------------------------|-----|----|----|
| Boston, | 144 | 10 | 1 | Cambridge, | 91 | 19 | 9 |
| Roxberry, | 74 | 12 | 6 | Watertowne, | 81 | 17 | 1 |
| Salem, | 111 | 13 | 11 | Newberry, | 67 | 8 | 3 |
| Waymoth, | 23 | 2 | | Dorchester, | 93 | 7 | 9 |
| Hingham, | 33 | 14 | 5 | Ipswich, | 111 | 18 | 11 |
| Linn, | 79 | 19 | 6 | Charlestown, | 85 | 15 | 10 |

May 14, 1645.

| | £ | s. | d. | | £ | s. | d. |
|------------------------|-----|----|----|-----------------------|----|----|----|
| Hingham, | 15 | | | Linn, | 25 | | |
| Waymouth, | 10 | 10 | | Ipswich, | 61 | 10 | |
| Braintree, | 10 | 10 | | Newbury, | 23 | | |
| Dorchester, | 43 | 17 | 6 | Salsberry, | 10 | | |
| Roxbury, | 37 | 10 | | Hampton, | 10 | | |
| Boston, | 100 | | | Rowley, | 15 | | |
| Dedham, | 20 | | | Sudberry, | 11 | 5 | |
| Concord, | 15 | | | Meadford, | 7 | | |
| Watertowne, | 41 | 5 | | Wooburne, | 7 | | |
| Cambridge, | 45 | | | Wennam, | 3 | 10 | |
| Charlestown, | 55 | | | Gloicester, | 4 | 17 | 6 |
| Salem, | 45 | | | | | | |

APPENDIX.—No. 2.

PRICES OF GRAIN, ETC., APPOINTED BY THE GENERAL COURT AND TAKEN AS CURRENCY.

1642. *September.*

Wheat and Barley 4/. Rye and Peas 3/4. Corn 2/6.

1647. *October.*

Wheat 4/6. Barley 4/. Rye and Peas 3/6. Corn 3/.

1648. *October 18.*

Wheat and Barley 5/. Rye and Peas 4/. Corn, or Indian, as it was called, 3/.

1649. *October 17.*

For Rates—Wheat 5/. Barley 5/6. Peas and Rye 4/. Indian Corn 3/.

1650. *October 15.*

“All sorts of Corne shalbe paid in the Country rate at these prises followinge, viz. Wheate and Barley 5/. Rye and Pease 4/. Indian 3/. All merchantable and all other thinges payd in the Countrey rate to be valued by indifferent men accordinge to the seuerall prises of all sorts of Corne aboue mentioned pr Curiam.”

1654. *October 17.*

“All sortes of Corne shalbe payd in the Country Rate at these prises—Wheat and Barley 5/. Rye and Pease 4/. Indian Corne to March 10 2/8, after that 3/.”

1655. *May 23.*

Wheat and Barley 4/6. Peas 4/. Rye 3/6. Indian 2/6.

1658. *October.*

Wheat 5/. Rye, Peas, Barley and Barley Malt, 4/, and Corn 2/8.

1662. *October.*

Barley 5/. Malt 5/6. Peas and Rye 4/6. Corn 3/.

1664. *October 25.*

Court order “that all sorts of Corne should be paid in the Country rate, at 5/ for Barley and Barley Malt 4/6. Peas and Rye 4/. Indian 3/. And what else is payd in the country rate to be p^d at money price.”

1667. *October 10.*

Wheat 5/. Rye, Barly and Barly Malt 4/. Peas 3/6. Indian Corn 2/8.

1670. *October 27.*

Wheat 5/. Barly Malt 4/. Rye 4/. Peas 4/. Indian Corn 3/.

1671. *September 12.*

"The prize of Corne agreed on by y^e Council for y^e Country rate for y^e yeare, is Indian at 2/8. Barley Malt 5/6. Rye and Pease 5/. Wheat 5/6. All good and merchantable, to be paid into the Treasurer and all other things at money prize, no leane cattle to be paid in at all."

1680. *November 5.*

Three single Country Rates, 2 to be paid in money, 1 in Corn. Wheat 5/. Barley and Barley Malt 3/6. Rye 3/. Peas 4/. Indian Corn 3/6. Oats 20^d. "What is not paid in Corne shall be at money prices, horses and all leane cattell excepted."

1681. *October 12.*

Wheat 6/. Rye 4/6. Peas, Barley, Barley Malt, 4/. Corn 3/6. Oats 2/.

1685. *October 17.*

Wheat 5/. Rye 4/. Barley and Barley Malt 4/. Indian Corn 3/. Oats 2/. Peas 4/.

From July 1, 1688, to January 1, 1689.

Paid in grain these 6 months into the Treasury—Wheat at 2/9. Malt and Barley 2/6. Rye 2/. Indian 14^d. Peas 3/. Oats 10^d.—£1,152 7 4.

From January 1, 1689, to April 17, 1689.

Loss by the Treasury in the sale of 9,977 $\frac{3}{4}$ bushels of grain—£99 1 3.

1690. *February.*

Wheat 5/. Rye 4/. Oats 1/6. Corn 3/6. Peas 4/. Barley and Barley Malt 4/.

1694. *March 27.*

Corn 2/3. Wheat 5/. Rye 2/9. Barley Malt 2/3. Oats 1/4, and Peas 3/6.

APPENDIX.—No. 3.

THOUGH the subsequent document was not passed into a law,—yet it serves to show us how far money would expend for labour and articles at the time of its date.

"This Court considering the great difficultie and discouragement, that at present lyes pressing vpon many inhabitants of this jurisdiction, especially vpon such, as whose callings are in husbandry, not onely by reason of the afflicting hand of God vpon them seuerall yeares in blasting their principall grayne, and abating their increase in other corne, and slownes of market, and exceeding low price for what the husbandman can raise,—vnto whose afflicting hand all ought to submitt and humble themselves, and yet with the prophet confesse, 'Thou, Lord, hast afflicted vs lesse then we deserue';—but also difficultie and discouragement are yet heaped and

increasing vpon them and others by reason of the excessive deerenes of labour by artificers, labourers, and servants, contrary to reason and equitie, to the great prejudice of many householders and their families, and tending to their vtter ruine and vndoing,—and the produce thereof is by many spent to mayntayne such brauery in apparell which is altogether vnbecomeing their place and ranck, and in idlenes of life and a great part spent viciously in taverns and alehouses and other sinfull practices, much to the dishonour of God, scandall of Religion, and great offence and grieffe to sober and godly people amongst vs. All which timely to prevent, this Court account it their duty carefully by all good meanes to provide, and therefore doe order as followeth.

It is therefore ordered by this Court and the authoritie thereof that no person within this jurisdiction, directly or indirectly, shall hereafter either paye or receaue for worke, labour or comoditie, more or aboue, then is in this present order appointed, and that vpon the penalties therein heere after expressed.

- | | |
|---|-------------|
| Imprimis. Labourers by the daye, from the end of September to the end of March, dyeting themselues, | 1/3 per day |
| From end of March to the end of June, | 1/8 " " |
| From the end of June to the end of Sept. they workeing 10 houres in the daye, besides repast, | 2/ " " |
| 2. Taske worke. One acre of salt marsh and one acre of English grasse well mowen, | 2/ per acre |
| One acre of fresh meadowe well mowen, | 1/6 " " |
| " " " Wheat " reapeing, | 4/ " " |
| " " " Rye " reapeing, | 3/ " " |
| " " " Barly and one of oats, each well mowen, | 1/ " " |
| " " " Peas, cutting, | 3/ " " |
| " coarde of woode, cutting and well coarding, | 1/3. |

These wages are allowed as aboue to workemen dyeting themselues.

3. Carpenters, and Masons, and Stone-layers, from 1 March to 10 of October, 2/ per day; and all worke taken by the great or peice by carpenters, masons, joyners, or shinglers, is to be apportioned according to the equitie of the value of daye's worke as aboue, they dyeting themselues.

4. Master Taylors, and such as are fully workemen of that trade, for one daye's worke of 12 houres, 1/8. Apprentices to that trade the first four yeares, the like daye, 1/. And all weauers for their worke at 12 houres per day, are to haue the like wages as taylors.

5. All men and women seruants shall in their respective wages be moderated according to the proportion of labour aboue limited.

6. No person shall pay, neither shall any shoemaker receaue, more then 5/ for men's shoes of eleuens or twelues, nor for women's shoes of seauens or eights more then 3/8; and all bootes and shoes of other sizes proportionable to the rates abouesaide.

7. Cowpers shall not receaue nor any person paye for a thigh barrell of 32 gallons aboue 2/8, and other cowper's worke proportionable in price to barrells.

8. Smythes shall not take nor any person paye for great worke, as for ships, mills, plough irones,—all irones for cart wheelles well layd vpon the wheelles, and other the like great worke, aboue 5^d per lb. For smaller worke as chaynes and other the like solde by weight, not aboue 6^d per lb. For the largest horse shoe well set with seven nayles, not aboue 6^d pr lb. For remoueing a horse shoe, 2^d. For an ordinary felling axe, 3/6. For one broad-axe, 5/6. One broad hough, 3/. All being good and well steeled; and all other smithes's worke not named to be proportioned according to the prices abouesaide.

9. And whereas it apears that Glouers, Saddlers, Hatters, and seuerall other artificers doe at present greatly exceed the rules of equitie in their

prizes, they are all required to moderate the same according to the rules prescribed to others, or know that in neglect thereof they are lyeable to presentment and proceeded against according to the Lawe,—Title Oppression.

Innkeepers and ordinary keepers are required to attend the dutie of them expected according to Lawe,—Title Innkeepers, sec. 11, which order ought more carefully and strictly to be executed for the prevention of oppression in selling of wine, and as for selling beere they are to attend the Lawe, that orders what quantitie of malte is to be putt into each hogshhead of beere, and that when malt is vnder 4/ per bushell then to sell no lesse then one quarte for $1\frac{1}{2}^d$, and for entertaynment of horses in Sumer not to take more then 4^d for one day and night, and in winter not to exceed 6^d for the like time.

All these payments are to be made in merchantable Corne at the price from yeare to yeare, set by the Generall Courte, provided that when the materials are brought from the market by the artificer, as shoemakers, smythes, and the like, allowance may be made for that charge by the buyer according to what the transportation may be.

If any person shall paye or receaue more then according to the rates aboue expressed, he or they, both buyer and seller, shall forfeit the full treble value of what shall be payed or receaued, one-halfe to the enformer and the other halfe to the Treasurer of the seuerall Countie Courts.

The President of euery Countie Courte shall at euery such Court giue in charge to the Grand Jury to enquire carefully into the breach of this order in euery particular thereof. And all Grand Jurymen are required vpon their oath to present all offences against this Lawe, and if it shall apeere to the Court of the Countie at any time within one yeare after the offence is comitted, that any Grand Jurymen has knoweingly neglected his dutie heerein, he shall vpon conuiction before the Courte be fined Tenn times so much as the offenders should have payed whome he ought to have presented.

The Deputyes having considered of this Bill about regulating workmen's wages, doe think it meete to refer the same to consideration vntill the next Court of election, our honoured Magistrates consenting hereto.

WM. TORREY, *Cleric*.

May 17, 1670. The Magistrates haue passed this Bill for an order of this Court, desiring y^e consent of our bretheren y^e deputyes.

JOHN PYNCHON, per order.

The Deputyes consent not hereto.

WILLIAM TORREY, *Cleric*.

Tried again Oct. 11, 1672.—Magistrates consented.
Deputies non-concurred.

APPENDIX.—No. 6.

As parts of the inscription on the bills called "sword in hand money," are still retained on the present seal of Massachusetts,—it was deemed not amiss to give here a general account of the seals under the different forms of government,—assumed by this Commonwealth.

SEALS OF MASSACHUSETTS.

FIRST CHARTER.

Company's Seal.—This Body say, in a letter to Governor Endicott, at Salem,—April 21, 1629,—We have sent you by Mr. Samuel Sharpe, passenger in the George, "The Companye's Seale in Siluer." The inscriptions, etc., on this seal, were as follow:—The representation of an Indian—having a full head of hair—a covering of leaves around his loins—a bow in his left hand and an arrow in his right. He occupies uncultivated ground, with pine trees adjacent to him. He has a label appended to his mouth, denoting a principal design, for which the American Colonies were settled—even the Evangelizing of the Aborigines.—The phrase of the label is, "Come over and help us." Around the seal, towards the circumference, are the succeeding words in Roman capitals,—*Sigillvm Gub. et Societ. de Mattachvsetts Bay in Nova Anglia.*—There is a + over the head of the image between *Sigillvm* and *Anglia.*—A tradition exists among some of our most intelligent Antiquarians, that John Hull, one of the Colonial Mint Masters, struck off the preceding seal.—It is undoubtedly a mistake that he made the first one.—But that he manufactured one or more impressions of it, is very likely, because its size varies on different documents.—Perhaps it may not be deemed amiss to record here one instance of legislation, with regard to this seal.—"1651, Oct. 14. This Court conceives it both dishonourable and troublesome, that at all times, euen when the most weighty occasions of the Country are in hand, the Gouvernor should affix the seale of this Colonie as often as men haue occasions to Letters of Attorney and certificates, and yet haue nothing for the same; And, therefore, orders, that henceforth whosoever shall procure the seale of this Colonie to any certificate, Letter of Attorney, or Commission, shall satisfie the present Gouvernour, for the time beinge, fve shillinges for affixinge the seale aforesaid and attestinge therevnto vnder his hand."—As a matter of course it is understood that this seal varies much, in its impressions and import, from the great Seal of England, as appended to the patent brought over by Governor Winthrop. As the latter is gradually diminished—by the nibblings of curiosity—a description of it may be desirable.—On one side, it has the figure of St. George—a horse-back—accompanied by a hound, having a spear in his right hand, ready to strike a dragon,—and a circular inscription not legible.—On the reverse is the representation of a King—dressed in state—with a sceptre in his right hand and a globe in his left. This side, according to the words yet remaining, contains the customary regal titles. The Seal, thus mentioned, is noticeable for its very green colour. This hue seems to have been preferred, as appears from the subsequent fact. Seals of this kind began among the English in the reign of William the Conqueror, who adopted such a colour "to signify that the act continued forever and of force." The same hue is on the seal of the Explanatory Charter of 1725, and was probably on that of the Second Charter, which has lost its regal sanction.

USURPATION.

The seal under this administration had the ensuing delineations. On one side, a royal personage, in full costume, with the insignia of his rank;

an angel in the front of him and partly higher than his head, flying with a scroll of undiscernable words in his right hand. Before his majesty are two men—with heads uncovered—each resting on a knee, one holding up a petition towards the extended hand of the King, and the other with a dish of fruit as an offering. These emblems were plainly intended to denote Colonial subjection to the crown—far more abject than under the first Patent—as to the population, wishes and productions of our Country. In a line, parallel to the periphery, are the common titles of his Majesty in Roman capitals, viz.—*Jacobvs II. D. G. Mag. Brit. Fran. et Hib. Rex Fidei Defensor.* On the reverse were the following impressions. The Royal Seal, such as the Crown, Lion and Unicorn, arms of England, France, and Ireland,—the garter with *Honi soit evi mal y pense*, and at the bottom, *Dieu et mon droit*, as adopted by King Richard. Towards the circumference, in Roman capitals, were *Sigillvm Novæ Angliæ in America.*

INTER-CHARTER.

As the government, which succeeded the Revolution of 1689, was according to that of the First Charter, it is very probable that, so far as any seal was used, it was that of the Massachusetts Company.

SECOND CHARTER.

Province Seal. This had the regal arms, as usual, and, within the customary titles of their majesties, was the ensuing circular inscription in Roman capitals;—*Sig. R. Provinciæ de Massachusetts Bay in Nova Anglia in America.* The appendages of the Lion and the Unicorn, did not accompany this seal, as impressed on the Provincial Acts down to Sept. 13, 1728; but they did on the Acts from April 18, 1729, to June 29, 1773; after which we have no regal seal on such documents.—1767, July 9.—The King requires our government to use a new seal, which he had sent them—like the foregoing, except a change of the royal names—and “to return the old seal to our Council officers at Whitehall, in order to its being defaced by us in our Privy Council.”

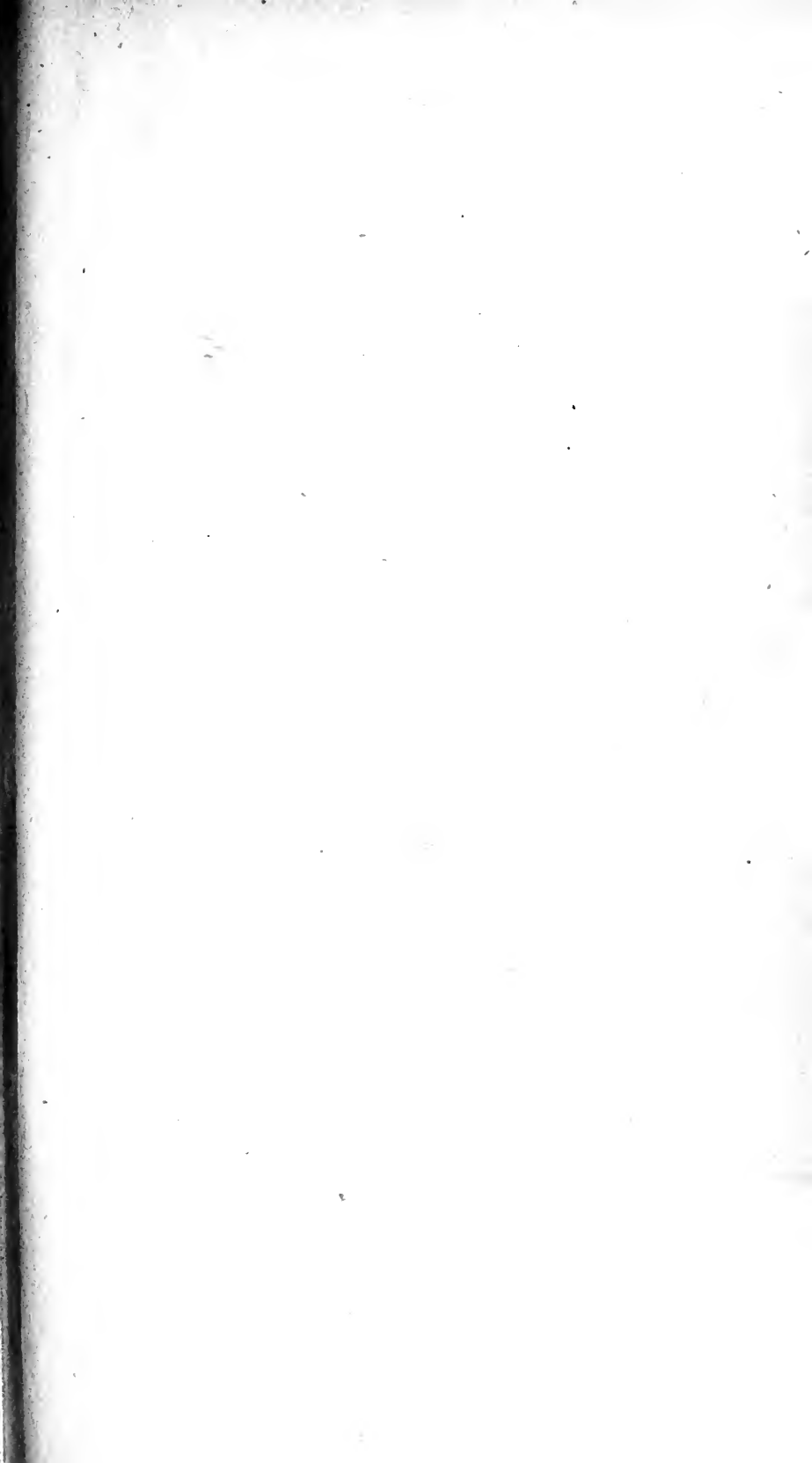
REVOLUTION.

Seal. 1775, Aug. 5. The Council vote, that the report about the Colony Seal be accepted with this amendment, viz.—“Instead of an Indian holding a tomahawk and cap of liberty, there be an English American holding a sword in the right hand, and *Magna Charta* in the left hand, with the words, *Magna Charta*, imprinted on it, and round him these words—*Ense petit placidam sub libertate quietem.*” The inscription, so amended, was borne upon the seal. As is well known by some, this Latin quotation is from the noted line and a half, written by Algernon Sidney, in the *Album* of the University at Copenhagen,—

“—————*Manus hæc, inimica tyrannis,
Ense petit placidam sub libertate quietem.*”

CONSTITUTION.

Seal. 1780, Dec. 13. Our present seal is appointed at this date, by the Governor and Council, as they had been requested by the Representatives. Their restoration of the Indian appears to have been in accordance with the popular wish.—A comparison between the figure on the first seal of Massachusetts and that on its present one, shows that the red man had, as portrayed on the last, become considerably civilized. It is readily perceived that our seal of this day is made up from that of the Revolution, and of the Company under the first Charter.



289

501234

Felt, Joseph Barlow

An historical account of Massachusetts
currency.

EcF

F3254hi

University of Toronto
Library

DO NOT
REMOVE
THE
CARD
FROM
THIS
POCKET



